

Memorandum of Understanding

between

CITY OF HAYWARD

and

SEIU LOCAL 1021

MAINTENANCE AND OPERATIONS UNIT

May 1, 2007 through April 30, 2011

TABLE OF CONTENTS

SUMMARY OF PROVISIONS	VI
1.00 RECOGNITION AND RELATED.....	9
1.01 Recognition	9
1.02 Personnel Board Agendas	10
1.03 Dues Deduction and Service Fees Payment.....	10
1.04 COPE Deduction.....	12
1.05 No Discrimination.....	12
1.06 Severance Pay.....	12
2.00 PROBATIONARY PERIOD.....	13
2.01 Appointments Subject to Probationary Period.....	13
2.02 Release of Probationer	14
2.03 Release Following Promotion	14
2.04 Effective Date of Regular Status.....	14
3.00 LAYOFFS	14
3.01 Layoffs	14
3.02 Rights of Return	17
4.00 WORK SCHEDULES - OVERTIME	17
4.01 Work Week	17
4.02 Attendance.....	17
4.03 Overtime Work.....	18
4.04 Compensation for Overtime Work.....	18
4.05 Overtime – Minimum Rest Period	18
4.06 Call-Back Pay.....	19
4.07 Meal Periods and Rest Periods.....	19
4.08 Distribution of Overtime	19
4.09 Overtime Regulations.....	19
4.10 Alternate Work Week.....	19
4.11 Treatment Plant Shift Bidding and Rotation Procedures.....	20
4.12 Overtime at the Water Pollution Control Facility.....	21
5.00 SPECIAL PAY AND ALLOWANCES	21
5.01 Meal Allowance	21
5.02 Night Shift Differential	22
5.03 Certification Fees	22
5.04 Tool Issuance.....	22
5.05 Sewer Maintenance Differential.....	22
5.06 Heavy Equipment Vehicle Operation Differential.....	22
5.07 Standby Pay.....	22
5.08 Pesticide Differential.....	23
5.09 Wastewater Treatment Plant Certification Differential	23
5.10 DMV Certification	24

5.11	Water Treatment Certification Differential	24
5.12	Heavy Equipment Repair Differential.....	24
5.13	Distribution Certification Differential.....	24
5.14	Bilingual Pay	24
6.00	MEET AND CONFER - TIME OFF FOR REPRESENTATIVES.....	25
6.01	Time Off for Representatives.....	25
6.02	Union Stewards	25
7.00	BENEFITS PLANS	25
7.01	Medical Insurance	25
7.02	Flexible Benefits Plan	26
7.03	Dental Insurance.....	27
7.04	Federal or State Health Plan.....	27
7.05	Alternate Benefits.....	28
7.06	Life Insurance.....	30
7.07	Medical, Dental and Flexible Benefits for Certain Part-Time Employees	30
7.08	Vision Care.....	30
7.09	Retired Employees	31
7.10	Employee Assistance Program.....	31
7.11	State Disability Insurance - (SDI)	31
7.12	Medical Flexible Spending Account and Dependent Care Spending Account..	32
8.00	SALARY ADMINISTRATION	32
8.01	Salary Administration Policy	32
8.02	Salary at Time of Employment	32
8.03	Eligibility for Advancement in Pay.....	32
8.04	Attaining Advancement.....	33
8.05	Use of Performance Ratings in Determining Step Advancement	33
8.06	Withholding Step Advancement	33
8.07	Change in Pay Upon Promotion.....	34
8.08	Change in Pay Upon Demotion.....	34
8.09	Change in Pay Upon Reclassification	34
8.10	Working Out of Class.....	34
8.11	Special Assignment Positions	35
8.12	Flexibly Staffed Classifications	35
8.13	Special Pay for Supervising Court Referrals/GAIN/GAE Participants	35
9.00	SALARIES	36
9.01	Salary Survey.....	36
9.02	Lead and Senior Differential Pay.....	36
9.03	Pay Raises.....	37
10.00	RETIREMENT PROGRAM.....	37
10.01	Retirement Program	37
10.02	Social Security Coverage	37
10.03	Deferred Compensation.....	37

11.00	HOLIDAYS.....	38
11.01	Holidays Observed by the City	38
11.02	Holidays for Permanent Part-Time Employees.....	38
11.03	Qualifying for Holiday Pay	38
11.04	Compensation for Holidays Worked.....	39
11.05	Holiday-New Year's Eve.....	39
11.06	Holiday Pay for Twenty-Four Hour Employees	39
12.00	VACATIONS.....	39
12.01	Vacation Leave Policy	39
12.02	Vacation Accrual for Full-Time Employees	40
12.03	Vacation Accruals for Permanent Part-Time Employees	40
12.04	Payment for Unused Vacation Leave.....	41
12.05	Vacation Leave Records.....	41
13.00	SICK LEAVE.....	41
13.01	Sick Leave Policy	41
13.02	Sick Leave Allowance for Full-time Employees	42
13.03	Sick Leave Allowance for Part-time Employees	42
13.04	Sick Leave Notice and Certification	42
13.05	Payment for Unused Sick Leave	44
13.06	Sick Leave Records.....	44
14.00	MISCELLANEOUS LEAVES.....	44
14.01	Bereavement Leave	44
14.02	Jury Leave	45
14.03	Military Leave	45
14.04	Industrial Disability Leave	45
14.05	Leave Without Pay	46
14.06	Leaves of Absence	46
14.07	Absence Without Leave	47
14.08	Family and Medical Leave/California Family Rights Act	47
14.09	Pregnancy Disability Leave	47
14.10	Parental Leave	47
14.11	Catastrophic Injury/Illness Time Bank	48
15.00	GRIEVANCES	49
15.01	Grievance Defined.....	49
15.02	Investigation and Reporting	49
15.03	Grievance Procedure	49
15.04	Disciplinary Action	51
15.05	Personnel and Affirmative Action Commission	52
16.00	MISCELLANEOUS PROVISIONS	52
16.01	Safety Shoes	52
16.02	Uniforms.....	52
16.03	Examination Announcement for Job Openings within Representation Unit	52

16.04	Participation in Promotional Examinations.....	53
16.05	Notification of Address	53
16.06	Personnel Files	53
16.07	Educational Reimbursement	53
16.08	Safety and Safety Committee.....	55
16.09	Americans With Disabilities Act (ADA)	55
16.10	Advance Notice	55
16.11	Use of City Facilities.....	55
16.12	Introduction of New Equipment.....	56
16.13	Examinations.....	56
16.14	Examinations - Oral Boards	56
16.15	Seniority List	56
16.16	Training	56
16.17	Personal Use of City Facilities and Equipment.....	57
16.18	Pre-Retirement Counseling	58
16.19	Restrictions on Outside Work	58
16.20	Employee Development	58
16.21	Volunteer Programs.....	59
16.22	Community Benefit.....	59
16.23	Implementation of DOT Alcohol and Drug Testing Program.....	60
16.24	Court Referrals/Welfare Program.....	61
16.25	Temporary Positions/Employment Agencies.....	61
16.26	Light Duty Assignments.....	61
16.27	Class A/B Driver's Licenses.....	61
17.00	SEPARABILITY OF PROVISIONS.....	61
17.01	Separability of Provisions	61
18.00	DURATION	62
APPENDIX A – SALARY INCREASES		63
APPENDIX B - TOTAL EQUITY ADJUSTMENTS		69
APPENDIX C - SIDE LETTERS.....		71

SUMMARY OF PROVISIONS

This summarizes the provision changes in the Memorandum of Understanding covering the period May 1, 2007 - April 30, 2011.

1. Section 1.01 Recognition -New classification added: Backflow/Cross Connection Tester.
2. Section 1.02 Dues Deduction - Payroll deduction provided for COPE contributions.
3. Section 4.01 Work Week - Definition of City work week clarified.
4. Section 5.01 Meal Allowance - Increased from \$8.00 to \$10.00.
5. Section 5.02 Night Shift Differential - Increased from \$.80 to \$1.15 for the evening shift and from \$1.05 to \$1.40 for the night shift.
6. Section 5.06 Heavy Equipment Operation Differential - Front Loader, backhoe and crane added to list of vehicles that entitle employees to 5% differential.
7. Section 5.13 Distribution Certification Differential -Senior Utility leader Field Services, Senior Utility Lead Customer Services and other employees who attain a State approved D-3 Certification will be paid 5% differential.
8. Section 7.01 Medical Insurance - Current employees and employees hired on or after Union ratification and City Council approval of this MOU are eligible for up to 100% of the City contribution for the second highest CalPERS plan option. Employees currently enrolled in PERSCare health plan shall be eligible for 100% of the City contribution of the premium cost through December 31, 2008.
9. Section 7.03 Dental Insurance - Orthodontics increased from \$2,000 to \$2,500 lifetime maximum.

10. Section 7.05 Alternate Benefits - City contribution increased from \$131 to \$150 for single-party coverage; from \$238 to \$270 for two-party coverage and from \$310 to \$350 for two-party plus coverage.
11. Section 7.06 Life Insurance - City paid coverage increased from \$30,000 to \$50,000
12. Section 7.09 Retired Employees - For employees who retire after December 31, 2007 and have 10 years of service, the City will pay \$274.72 toward retiree medical costs. Employees employed by the City on December 31, 2007 with at least 5 years of service will be eligible for retiree medical at this benefit level.
13. Section 7.11 State Disability Insurance - Clarifies integration of paid leave and State Disability Insurance benefits.
14. Section 8.07 Change in Pay Upon Promotion – Employees shall be paid at least 5% upon promotion.
15. Section 9.02 Lead and Senior Differential Pay – Establishes 10% differential for Leads and Seniors and establishes 15% differential for Groundskeeper III, Senior Maintenance Leader, Senior Utility Customer Service Leader, Senior Utility Leader and Cross Control Specialist classifications.
16. Section 11.01 Holidays Observed by the City – If Christmas Eve falls on a Sunday, the holiday shall be observed on the previous Friday. If a holiday falls on a Saturday, the previous Friday shall be observed as a holiday. If a holiday falls on an employee's regular day off, the employee shall be credited with either equivalent time to either compensatory time or vacation leave.
17. Section 13.05 Payment for Unused Sick Leave – Payment for unused sick leave shall include City-paid PERS contribution in the computation of an employee's annual salary.
18. Section 14.04 Industrial Disability Leave - Employee eligible for up to one year during any three year period.
19. Section 14.0 Miscellaneous Leaves – Adds clarifying language.

20. Section 9.0 Salaries – General salary increases shall be as follows:

Effective May 1, 2007	3%	Plus 1/3 applicable market adjustment
Effective May 1, 2008	3%	Plus 1/3 applicable market adjustment
Effective May 1, 2009	4%	Plus 1/3 applicable market adjustment
Effective May 1, 2010	4%	

MEMORANDUM OF UNDERSTANDING

between

CITY OF HAYWARD

and

Service Employees International Union, Local 1021

(Maintenance & Operations Unit)

On the date hereinafter subscribed, authorized representatives of the City of Hayward herein called "City" and authorized representatives of the Service Employees International Union, Local 1021, herein called "Union" made and entered into this Memorandum of Understanding. It is understood and agreed that this Memorandum of Understanding supersedes and replaces that Memorandum of Understanding made and entered into May 1, 2002 by and between the City of Hayward and Service Employees International Union, Local 790.

This Memorandum of Understanding is subject to all applicable federal laws, state laws and the Charter of the City of Hayward; and all ordinances, resolutions, Administrative Rules and Personnel Rules of the City except as expressly provided to the contrary by this Memorandum of Understanding.

1.00 RECOGNITION AND RELATED

1.01 Recognition

Effective 2007, SEIU restructured its local union affiliates and SEIU Local 790 merged into SEIU Local 1021. The City has recognized Local 1021 as the majority representative for this Maintenance and Operations Unit of employees. The Union has agreed to indemnify the City in the event of claims arising against the City as a result of City recognition of Local 1021. During the term of this Memorandum of Understanding, SEIU agrees to indemnify, defend and hold the City of Hayward and its agents harmless against any claims made of any nature and against any suit instituted against the City of Hayward arising from this agreement and/or the City's recognition of Local 1021. The City agrees that, prior to retaining private counsel, the City will consult with the local union's counsel about (1) whether the City can be defended by union's counsel, (2) whether proposed private counsel has a conflict of interest with the local union or its predecessor, and (3) the costs of retaining the proposed private counsel.

The City therefore recognizes the Union, SEIU Local 1021, formerly SEIU Local 790, as the majority representative for the Maintenance and Operations Unit of employees consisting of the following classifications as well as any new classifications which may be assigned to this representation unit by the City Manager.

Prior to placement on a Personnel Board Agenda, the City will notify the Union of any proposed title change, or creation, modification or deletion of a classification assigned to the Maintenance and Operations unit.

Airport Attendant
Airport Maintenance Leader
Airport Maintenance Worker
Auditorium Leadworker
Backflow/Cross Connection
Tester
Cross Connection Control Specialist
Equipment Mechanic I
Equipment Mechanic II
Equipment Operator
Equipment Parts Storekeeper
Equipment Service Attendant
Facilities Carpenter I
Facilities Carpenter II
Electrician I
Electrician II
Facilities Leadworker
Facilities Painter I
Facilities Painter II
Facilities Service Worker I
Facilities Service Worker II
Groundskeeper I

Groundskeeper II
Groundskeeper III
Laborer
Maintenance Leader
Maintenance Worker
Operator-in-Training
Senior Maintenance Leader
Senior Utility Customer Service Leader
Senior Utilities Maintenance Mechanic
Senior Utility Leader
Senior Utility Service Representative
Storekeeper-Expediter
Sweeper Equipment Operator
Tree Trimmer
Utilities Maintenance Mechanic
Utilities Service Worker
Utility Leader
Utility Worker
Water Meter Mechanic
Water Meter Reader
Water Pollution Control Facility Lead Operator
Water Pollution Control Facility Operator
Water Pollution Control Facility Senior Operator

1.02 Personnel Board Agendas (new 1.02 section from Side Letter dated 10/6/1995)

Prior to placement on a Personnel Board Agenda, the City will continue to notify the Union of any proposed title change, or creation, modification, or deletion of a classification assigned to the Maintenance and Operations representation unit.

1.03 Dues Deduction and Service Fees Payment

The City agrees to deduct one month's current and periodic union dues from the pay of each employee who has on file with the City a currently effective payroll deduction authorization for this purpose or who shall hereafter voluntarily execute and deliver to the City the payroll deduction authorization provided by the union and approved by the City for this purpose.

The parties hereto recognize that membership in the Union is not compulsory, that employees have the right to join, not join, maintain, or drop their membership in the Union, and that neither party shall exert any pressure on or discriminate against an employee regarding such matters. The Union agrees it is obligated to represent all of the employees in the Unit fairly and equally, without regard to whether or not an employee is a member of the Union.

Therefore:

- a. Any employee who is not a member of the Union shall, either become and remain a member in good standing in the Union; or execute a payroll deduction authorization form and thereby pay to the Union an initial fee not to exceed the standard initiation fee required as a condition of acquiring membership in the

Union and, thereafter, a monthly service fee not to exceed the monthly dues uniformly required as a condition of retaining membership in the Union. As an exception to the foregoing, any employee who on September 1, 1982 is not a member of the Union and who has a personal or moral objection to joining or financially supporting public employee organizations shall, not later than 10/15/82, execute a payroll deduction authorization and thereby pay sums equal to the standard initiation fee required as a condition of acquiring membership in the Union and the monthly service fee provided above to one of the following: Emergency Shelter Program, Boys and Girls Club of Hayward, and Human Outreach Agency. If an employee who is paying a monthly service fee to any of the charitable organizations listed above requests the Union to use on the employee's behalf the grievance arbitration procedure contained in this Memorandum of Understanding, the Union is authorized to charge the employee for the reasonable cost of using such procedure.

- b. Any new employee shall, within thirty (30) calendar days of his/her employment either become a member in good standing in the Union or execute a payroll deduction authorization form and thereby pay to the Union an initial fee not to exceed the standard initiation fee required as a condition of acquiring membership in the Union and, thereafter, pay to the Union a monthly service fee not to exceed the monthly dues uniformly required as a condition of retaining membership in the Union. Any employee who is a member of the Union on September 1, 1982 and who subsequently withdraws from membership in the Union shall execute a payroll deduction authorization form and thereby pay to the Union a monthly service fee not to exceed the monthly dues uniformly required as a condition of retaining membership in the Union.

As an exception to the foregoing, an employee who certifies he/she is a member of a bona fide religion, body or sect which has historically held conscientious objections to joining or financially supporting public employee organizations, shall execute a payroll deduction authorization form and thereby pay sums equal to the standard initiation fee required as a condition of acquiring membership in the Union and the monthly service fee provided above to one of the following: Emergency Shelter Program, Boys and Girls Club of Hayward, and Human Outreach Agency.

The employee's earnings must be regularly sufficient after other legal and required deductions are made to cover the amount of the dues or service fees check off authorized. When an employee is in a non-pay status for an entire pay period, no withholding will be made to cover the pay period from future earnings. In the case of an employee who is in a non-pay status during only part of the pay period, and the salary is not sufficient to cover the full withholding, no deduction shall be made. In this connection, all other legal and required deductions have priority over union dues and service fees.

The Executive Secretary of Service Employees International Union, Local 1021 shall notify the Director of Finance in writing as to the amount of such initiation fees and monthly dues uniformly required of all members of the Union.

Monies withheld by the City shall be transmitted to the Officer designated in writing by the Executive Secretary of the Union as a person authorized to receive such funds at the address specified.

Upon seven (7) days notice to the City from the Union that an employee described above has failed to maintain his/her membership in good standing or has failed to maintain a current service fee payment or has failed to maintain a current charitable contribution payment to one of the three (3) charities designated above, then the City shall (1) counsel the employee of his or her obligation under the provision, and (2) inform the employee that further failure to maintain the appropriate payments shall subject employee to discharge.

The Union shall indemnify, defend, and save harmless the City of Hayward, its officers, employees, and agents acting on its behalf from and against any and all losses, damages, costs, expenses, claims, demands, actions, suits, judgments and other forms of liability arising out of the application or enforcement of this Section.

The City shall furnish the Union, on a monthly basis, the name, date of hire, salary classification and work location of all newly hired employees subject to this Agreement, along with verification of monthly transmittals to any charitable organizations.

1.04 COPE Deduction

Upon receipt of the appropriate form generated by the Union, the City shall deduct designated amounts to be contributed to the Union's political action committee (COPE) through payroll deduction.

1.05 No Discrimination

To the extent prohibited by applicable state and federal law there shall be no discrimination because of race, religious creed, color, national origin, sex, age, disability status or legitimate union activities against any employee or applicant for employment by the Union or by the City or by anyone employed by the City. The Union agrees not to discriminate against, or take punitive action against, any employee who, in the course of his/ her job assignment is required to direct the work and/or provide input into the performance evaluation.

1.06 Severance Pay

The parties recognize that the City may sub-contract work performed by employees in the representation unit for reason of economy and/or efficiency. The City will notify the Union in writing at least sixty (60) days before subcontracting work if such subcontracting will result in the layoff or bumping of employees. In the event employees are placed on layoff as a direct result of the City's subcontracting such work, said employees shall be entitled to severance pay in accordance with the following conditions:

- A. Employees in regular and probationary status whose jobs are abolished as a result of sub-contracting shall have the right to bump pursuant to the provisions of Section 3.01 C of this Memorandum of Understanding. Those employees who are ultimately placed on layoff as a result of such bumping activity and/or those employees who are directly placed on layoff as a result of the abolition of their positions because of sub-contracting of work may elect to receive severance pay

in lieu of the rights of return to which they would otherwise be entitled by reason of the provisions of Section 3.02 of this Memorandum of Understanding. Such option must be exercised no earlier than thirty (30) consecutive days, nor later than ninety (90) consecutive days, following the effective date of layoff. If the option is not exercised within this time period the employee shall forego his or her entitlement to severance pay. Additionally, no entitlement to severance pay shall exist if an employee on layoff is recalled to work prior to exercising the option for severance pay.

B. Severance pay shall be calculated on the basis of the employee's regular straight time hourly rate at the time of layoff and shall be paid in accordance with the following schedule:

1. 40 hours pay for employees who have completed one or more, but less than five (5) continuous years of service with the City.
2. 80 hours pay for employees who have completed five (5) or more, but less than eight (8) years of continuous service with the City.
3. 120 hours of pay for employees who have completed eight (8) or more, but less than twelve (12) continuous years with the City.
4. 160 hours of pay for those employees who have completed twelve (12) or more years of continuous service with the City.

Severance pay provided herein shall be paid in a lump sum, and shall not be counted as time worked for the purpose of qualifying for employment benefits otherwise provided employees in an active employment status.

C. Notwithstanding the provisions of Section 1.05 B above, the City, in its sole discretion, may elect to recall selected employees who have received severance pay and who have otherwise forfeited rights of return. An employee so recalled as the result of the City exercising this right shall be returned to the employment status and salary step held in the position occupied at the time of layoff or, in the event such employee is recalled to a lower classification previously held, he/she shall receive the same salary step and employment status as if employee had bumped into that classification. Additionally, original dates of hire in all classifications in which the employee has previously served may be restored. If such employee is subsequently laid off pursuant to the provisions of Section 3.01 employee shall not be entitled to the election provided in Section 1.05 B. The City may not exercise the rights provided in this section 1.05 until re-employment lists for the classifications involved have either been exhausted or have expired.

2.00 PROBATIONARY PERIOD

2.01 Appointments Subject to Probationary Period

All appointments to positions in the classified service shall be subject to a probationary period. The regular period of probation shall be six (6) months, but longer periods may be specified in individual classification descriptions and shall apply to all positions in the classification. Extension of probationary periods up to a maximum of six (6) months may be approved by the City Manager in individual cases.

2.02 Release of Probationer

All probationary employees shall be evaluated at regular intervals during their probationary period. During the probationary period an employee may be released at any time without the right of appeal. Written notice of release designating the effective date of such action shall be furnished the probationer.

2.03 Release Following Promotion

Any employee released during the probationary period following promotion shall be reinstated at the former salary step to his/her former position or a position in the class from which promoted unless the reason for release is cause for dismissal. If no vacancy exists in this class, the employee with the least amount of time in this class shall be demoted to the most recent class in which he or she has satisfactorily served. Any employee caused to be released by such action shall be placed on a reemployment register for the classification from which the employee was released. Any employee who is released during a probationary period following promotion shall retain appeal rights to dismissal from the City but not the right to appeal his or her release from the position from which demoted.

2.04 Effective Date of Regular Status

Upon attaining regular status, the effective date shall revert to the date of initial probationary appointment.

3.00 LAYOFFS

3.01 Layoffs

Whenever there is a lack of work or a lack of funds requiring reduction in personnel in a department or division of the City government, the required layoffs shall be made in such job classifications(s) set forth in the Classification Plan of the City of Hayward as the Department Head may designate in accordance with the following procedures. Vacant positions which are affected by proposed staff reductions will not be filled prior to the implementation of layoff activity.

- A. Employees shall be laid off in inverse order of their length of service within the affected job classification.
 - 1. Length of service for the purpose of this Section 3.01 shall mean an employee's continuous uninterrupted service within a classification from the effective date of appointment as a probationary or part-time employee in that classification.
 - 2. An interruption in length of service within a classification shall occur as a result of any one of the following:
 - a. Discharge for cause
 - b. Voluntary resignation
 - c. Retirement for service or disability

- d. Absence from work for thirty-six (36) consecutive months because of layoff
- e. Failure to return from layoff as provided in Section 3.02
- f. Failure to return from an approved leave of absence upon the date specified for return at the time said approval was granted.

Provisional and acting appointments to a classification shall not be construed as service in such classification unless such provisional or acting appointment was contiguous with appointment to such classification in a probationary or part-time status.

- 3. Whenever the effective date of appointment to a classification is the same for two or more employees, the original date of hire as a probationary or part-time employee with the City shall be used to determine which employee has greater length of service within the classification. The employee with the earlier original date of hire with the City shall be considered to have the greater length of service within the classification in this situation.
- B. Within each affected job classification all provisional employees shall be laid off before probationary employees and all probationary employees shall be laid off before any regular employees provided, however, that part-time employees whose length of service is less than any probationary or regular employee shall be laid off before such probationary or regular employee. Thereafter, if additional reductions in personnel are required, those employees with the least length of service within the affected classification shall be laid off. Any temporary hire, assigned to a budgeted position in a class where layoffs are required, will be laid off prior to the layoff of a regular or probationary employee in that class.

Furthermore, the City will request laid off employees to complete a form indicating those City jobs for which they are qualified and which they are willing to perform. When temporary assignments become available in positions indicated, Department Heads and managers will evaluate the employees' qualifications for the job and hire into temporary assignments those individuals deemed suitable. If during a period of such temporary employment a vacancy occurs in which an employee has rights of recall, the provisions of Section 3.01 and 3.02 of the MOU will apply.

- C. As an alternative to layoff, an employee with regular, probationary or part-time status who is displaced from his or her classification in accordance with the procedures provided in paragraphs (A) and (B) of this Section shall be allowed to bump to a classification at the same salary level or to a classification at the next lower salary level provided the classification to which he/she bumps is one in which employee has previously served in a regular, probationary or part-time status and where the original date of appointment to said classification, as defined in this Section 3.01 predates that of at least one employee presently serving therein. As an exception to the foregoing, an employee may bump into a classification in which previously served and where the original date of appointment to that classification predates that of at least one employee presently serving therein carrying a higher salary level only if such higher salary level resulted solely from the application of an equity salary adjustment.

1. Bumping rights afforded an employee pursuant to this section shall include access to those classifications in which he/she has previously served but which may since have been re-titled but where, as determined by the City, no substantive changes have been made in the duties or qualifications for the classification(s) in question. Such determination by the City shall be subject to the grievance procedure of this Memorandum of Understanding.
2. Prior to employees being laid off the City shall post on official bulletin boards and provide the Union with status registers for all affected classifications within the representation unit. Said lists shall include the names of all present employees who have held these classifications and their appointment dates thereto.
3. An employee eligible to bump into another classification pursuant to this paragraph (C) shall have five (5) calendar days after notice of assignment by the City Manager to a position in that classification in which to accept such assignment. If the affected employee fails to accept such assignment within said five (5) calendar day period, employee shall be laid off. An employee so assigned shall be placed at a salary step in the range for the classification to which he or she bumps closest to the employee's former rate of pay but which does not exceed the salary step held by the employee in the classification from which displaced.
4. In the event an employee bumps to an occupied or vacant position that is "flexibly" staffed as reflected in the Positions and Salaries Resolution, assignment to said position shall be at the level which the employee previously held.
5. An employee who is bumped into a lower class previously held shall have the choice to bump into a position in his/her current division held by a less senior employee or bump into a vacant position in the same classification elsewhere in the City.

- D. When employees are scheduled for layoff by the City, the affected employee and the Union will be given at least two (2) weeks notice if possible. The City shall attempt, in so far as is possible, to accomplish any contemplated reduction in personnel by attrition rather than by layoff.

When an employee slated for layoff possesses the qualifications for another class in which there exists an opening and for which there is no eligible list, the City will consider the provisional appointment of the employee to the alternate position pending completion of a recruitment and testing process. An employee provisionally appointed under this provision may compete with other applicants for that position.

- E. In the event employees are scheduled to be laid off, other employees with greater length of service within the same classification may elect to be laid off in lieu of those employees scheduled for such layoff.

Employees laid off shall be placed on a reemployment register for the period of two years for the classification held at time of layoff.

3.02 Rights of Return

As position vacancies occur, employees on layoff and those occupying positions to which they have bumped shall be afforded return rights in the order of their length of service in the classification(s) in which such vacancies occur.

- A. An employee shall have ten (10) calendar days from the mailing by certified mail of a notice of return to the address of record on file in the Human Resources Department to indicate acceptance of such return and his/her agreement to report for work as specified in the notice.
- B. Employees in layoff status shall retain all credited sick leave earned but unused at the time of layoff. An employee on layoff shall not earn vacation leave credit while in layoff status. Upon an employee's return from layoff he/she shall be credited with proportionate vacation leave for the balance of the calendar year. The amount of such credit shall be based upon the continuous uninterrupted service with the City including time spent in layoff status. Use of vacation leave so credited shall be subject to the provisions of Section 12.02 of this Memorandum of Understanding.
- C. Employees who are displaced from their classification by virtue of layoff shall be placed on a reemployment register for the classification they held at the time the layoff occurred, hereinafter referred to as the "primary" register. They shall also be placed on reemployment registers for classifications previously served in, hereinafter referred to as "secondary" registers. If an employee fails to respond to such notice of return within the prescribed time period or declines to return from layoff to a secondary register classification his or her name shall be removed from said secondary register and employee shall no longer be eligible for recall to that classification. If an employee fails to respond to notice of return within the prescribed time period or declines return to the primary register classification employee will be considered to have voluntarily resigned employment with the City.
- D. Primary and secondary reemployment registers shall be valid for a period of two years.

4.00 WORK SCHEDULES - OVERTIME

4.01 Work Week

The normal work week for all full-time employees shall consist of forty (40) hours during each seven (7) day work period. For payroll purposes, the City's work week shall commence at 12:01 am on the Monday preceding each bi-weekly pay period. The work week for employees on Alternate Work Schedules may be modified based on individual schedules to accommodate forty (40) hours in a seven (7) day work period.

4.02 Attendance

Employees shall be in attendance at work in accordance with applicable provisions of this Agreement.

4.03 Overtime Work

Any work required in excess of the normal work day or work week shall be classed as overtime work. Overtime work shall be recognized only when directly ordered or required by the department head or the City Manager. The City may require employees to work more than the normal scheduled work shift each day or more than forty (40) hours per week, and also work outside the employees' scheduled work day or work week. Any work required by part-time employees in excess of forty (40) hours per work week shall be classed as overtime work.

4.04 Compensation for Overtime Work

Overtime work when directly ordered by the department head shall be compensated by pay at the rate of time-and-one-half (1.5) the straight time rate, or time off with pay at the rate of time-and-one-half (1.5) the straight time rate.

During a calendar year, employees may, at their sole discretion, accumulate up to a maximum of one hundred twenty (120) hours of compensatory time; provided however, that by the end of the pay period which includes December 31, the maximum accumulation of compensatory time shall not exceed eighty (80) hours. Thereafter, the City may elect to compensate employees with overtime pay or compensatory time off for all hours of overtime worked.

Employees may request, and subject to approval of the department head or his/her designee, use of compensatory time off up to the maximum allowable pursuant to this section. In the event a department head schedules use of compensatory time off by an employee, a 24 hours notice shall be provided.

As an exception to the foregoing, if the City Manager ascertains that the City's revenue position for all or a portion of the fiscal year does not permit compensation with pay, the City may elect to compensate overtime work with compensatory time off rather than with pay. Under said conditions the City Manager may elect to compensate some overtime work with pay if in his/her judgment special circumstances exist. Prior to taking such action the City will meet with the Union and advise it as to the reasons therefore. As soon thereafter as the City Manager determines that the City's revenue position permits, the City will return to its policy of compensating overtime work with pay. If, in the City Manager's judgment, the City's revenue position permits, the City Manager may also convert to pay all or a portion of compensatory time off accumulated under these conditions.

During such periods of financial limitation there shall be no limit on the accrual of compensatory time and such compensatory time shall be used when requested by the employee and approved by the department head.

4.05 Overtime – Minimum Rest Period

An employee assigned to a ten (10) hour per day schedule who works a full shift and is asked to then work an additional six (6) hours in the twenty-four hour period commencing with the start of said scheduled shift shall be guaranteed eight (8) consecutive hours off the job before being permitted to commence work again. An employee assigned to an eight (8) hour per day schedule who works their regular scheduled full shift and is asked without being given 24 hours notice, to work an additional eight (8) hours in the twenty-four hour period commencing with the start of said shift, shall be guaranteed eight (8) consecutive hours off the job before being

permitted to commence work again. The preceding does not apply during a declared state of emergency in which case the guarantee shall be five (5) hours. Said employee shall be paid at the regular straight time hourly rate of pay as listed in Section 9.01 of this Memorandum of Understanding for any of the guaranteed hours off which fall within his or her next scheduled work shift.

The provision of this section shall not apply in the case of scheduled shift changes, if a 24-hour notice is provided, or in disaster situations so declared by proper authority.

4.06 Call-Back Pay

An employee who has completed his/her regular shift, and has been released for the day, who is then called back to work shall be paid at the applicable overtime rate for a minimum of two (2) hours. An employee on standby who is called out during such time is excluded from the application of this provision.

4.07 Meal Periods and Rest Periods

Employees shall receive a one-half (1/2) hour unpaid meal period each day within a two (2) hour period at the midpoint of each shift, and a 15 minute paid rest period during the first half of the work shift, and another 15 minute paid rest period during the second half of the work shift. In the event an employee does not receive a meal period or rest period he or she shall be compensated at the overtime rate for said meal or rest period, or shall be permitted equivalent time off the same day. The City shall make reasonable effort to insure that employees' meal periods are uninterrupted.

4.08 Distribution of Overtime

Work outside of the scheduled work day and work week shall be assigned to employees on an equitable and even basis in so far as reasonably possible among those employees who are employed in the classifications in the departments in which the overtime work occurs, and who are qualified and available for such work. Employees with the most seniority within said classifications shall be assured the first opportunity for overtime on a rotating basis in equalizing overtime. Employees who are successfully contacted and states that they are not available for work shall be deemed to have worked the same number of hours as the employee performing the assignment.

4.09 Overtime Regulations

The present ordinances, resolutions, Administrative Rules and Personnel Rules pertaining to overtime compensation and compensatory time off shall be continued without change during the fiscal year except as provided in this Memorandum of Understanding.

4.10 Alternate Work Week

- A. In departments where interest regarding alternate work schedule adjustments has been expressed by either management or employees, appropriate management personnel will meet with steward and interested employees to

determine whether or not the proposed work schedule will have an adverse impact on service to residents (i.e. phone coverage, front counter coverage, etc.)

- B. If a positive finding is made, the proposed work schedule shall be attempted on a trial basis for a period up to six (6) months.
- C. Should the City determine during the trial period that the work schedule adversely affects customer service, the City will have the right to terminate the trial period and revert to the original work schedule.
- D. At the conclusion of the trial period, management and employees involved will jointly evaluate whether any adverse impact has been identified.
- E. In the event the City wishes to terminate the adjusted work schedule under review, the Union will be given thirty (30) days notice and given the opportunity to provide feedback.
- F. The Department Head, upon consideration of the results of the trial period and following the meeting with the union, will decide whether to terminate or continue the adjusted work schedule.
- G. It is the understanding that the provisions of the item are not subject to the grievance procedure in the Memorandum of Understanding.
- H. The City may schedule a department, division, bureau or any other group of employees to work a 10 hour work shift on four days in each work week, i.e., a "4-10 work schedule." The establishment of such a 4-10 work schedule shall normally coincide with the period of time in which daylight savings time is in effect, but the decision to establish and/or discontinue a 4-10 work schedule shall be within the sole discretion of the department head who shall take into account productivity and operating requirements. Such decisions shall be communicated to affected employees as far in advance of the effective date as possible. In the event a holiday(s) will be observed by the City while a 4-10 schedule is in effect, the work schedule for affected employees will automatically revert to a 5-8 schedule during the week(s) in which such holiday(s) occur.

4.11 Treatment Plant Shift Bidding and Rotation Procedures

Lead Operators will first fill Lead Operator slots by bid and classification seniority. A Lead Operator who bids on a Plant Operator slot shall first have his/her classification seniority considered during the bidding process. However, in no instance shall a Lead Operator with less classification seniority than a Plant Operator be able to outbid a Plant Operator. Hence, classification seniority shall be the deciding factor when bidding on Plant Operator slots. The shift bidding procedure is as follows:

- a) In mid-June and mid-December of every year shift bid forms will be distributed to all operations employees.
- b) Operators will submit bid forms by June 30 and December 31.
- c) On or about January 1 and July 1 the new schedule will be posted.
- d) Assignment resulting from the shift bidding shall be effective the first complete pay period in February and August of each year.

Employees scheduled to work a week-end 12-hour shift will be charged hour-for-hour for time off when taking sick leave, vacation, compensatory time off, or other paid leave. Employees on 12-hour shifts will earn shift differential in accordance with the overtime provisions of the MOU as follows:

Day Shift	0700 – 1500 - no differential
	1500 – 1900 – swing shift differential
Night Shift	1900 – 2300 – swing shift differential
	2300 – 0700 – grave shift differential

4.12 Overtime at the Water Pollution Control Facility

Overtime at the Water Pollution Control Facility will continue to be assigned as follows:

- a) All union members who are operators shall be assigned to the overtime list.
- b) New employees on the overtime list shall be credited with the number of overtime hours equal to the maximum number of hours of any employee on the list.
- c) Employees who are on vacation, sick leave, or disability leave shall not be called for overtime and shall not be deemed to have worked the overtime for purposes of position on the overtime list.
- d) Employees with the least amount of overtime worked or charged shall be contacted first. As an exception to this, operators affected by the 8-hour rule will not be called and will not be deemed to have worked the overtime for purposes of position on the overtime list. In the event an insufficient number of employees are available to work that required overtime after all employees not covered by the above paragraph have been contacted, those employees having the least amount of overtime worked or charged shall be required to work such overtime unless they have a good and sufficient reason which precludes them from working the required overtime. As a last resort, employees affected by the 8-hour rule may be called.
- e) Utilities Maintenance Mechanics shall be allowed to work operator overtime provided they possess current grade certificates and have been checked off on current plant procedures.

5.00 SPECIAL PAY AND ALLOWANCES

5.01 Meal Allowance

A Ten Dollar (\$10.00) meal allowance shall be provided to employees required to work two (2) or more hours of overtime when such overtime is worked at the end of a shift, or as a result of an unscheduled call-back. For each additional four (4) hours worked, the employee shall receive an additional Ten Dollar (\$10.00) meal allowance.

5.02 Night Shift Differential

Employees assigned to scheduled shifts in which the employee works five (5) or more hours between the hours of 3:00 P.M. and 11:00 P.M., shall be paid an additional One Dollar and fifteen cents (\$1.15) per hour for all hours worked on such shift. Employees assigned to scheduled shifts in which the employee works five (5) or more hours between 11:00 P.M. and 7:00 A.M. shall receive an additional One Dollar and forty cents (\$1.40) per hour for all hours worked on such shift. The City will make every effort to provide employees at least twenty-four (24) hours advance notice of a change in shift assignment.

5.03 Certification Fees

When the City or State requires that employees possess a certificate as prerequisite to the performance of their job duties, the City shall reimburse said employee for any fee involved in the issuance or renewal of said certificate. Employees shall suffer no loss in pay for time spent taking qualifying examinations for said certificates. Fees for Drivers licenses and time spent acquiring them are not covered by this provision except as set forth in any applicable Side letter.

5.04 Tool Issuance

The City will provide to the classifications of Equipment Mechanic I and Equipment Mechanic II hand tools required in the performance of their duties. Said hand tools will be at no cost to the employee, and will be of the same quality as previously furnished by the City.

5.05 Sewer Maintenance Differential

An employee in the classification of Utility Worker, Laborer or Utility Leader who is assigned to operate either the Hydrocleaner, the large sewer rodding machine, the bucket machine, or TV van shall receive a salary differential of five percent (5%) above the salary step currently held for all hours during which the employee actually operates the aforesaid equipment. This salary differential shall not apply during period of paid leave nor during the use of accrued compensatory time.

5.06 Heavy Equipment Vehicle Operation Differential

Employees in classifications other than equipment operators who are assigned to drive a "ten-wheel" front loader, backhoe or crane vehicle shall receive five percent (5%) more than the employee's salary in his or her present classification for all hours while so assigned.

5.07 Standby Provisions

a) Standby Pay

Employees who are required to be available on a standby basis for possible service calls during their off shift hours shall receive a standby allowance as follows:

- I. Employees on standby on weekdays (i.e., a sixteen (16) consecutive hour period commencing with the end of the regular scheduled work shift Monday through Friday) shall receive a standby allowance of one (1) hour's pay at the employee's regular hourly rate for each weekday night of standby required.

2. Employees on standby on regularly scheduled days off and on holidays (i.e., a twenty-four (24) consecutive hour period commencing at 8:00 A.M.) shall receive a standby allowance of the two (2) hours pay at the employee's regular hourly rate for each of the aforementioned days of standby required.

An employee on standby who is called out on a service call shall receive, in addition to the standby allowance provided above, compensation at the overtime rate for work actually performed during such standby. In the event an employee on standby is called out on a service call(s), the employee shall be guaranteed a minimum of two (2) hours work or two (2) hours pay at the overtime rate for the entire standby period as defined above.

b) Use of City Vehicles by Employees on Standby

The City agrees to continue the program whereby employees on standby will be allowed to take home a City vehicle when assigned to such standby. This program is subject to the following conditions:

1. Taking home a City vehicle shall be allowed only for employees on standby who live either in or within a reasonable distance of the City of Hayward as determined by the department head.
2. Under no circumstances shall the employee use a City vehicle so assigned for personal travel or business, including stopping for personal errands while traveling to and from work or a standby assignment.
3. The employee shall be responsible for the security of a vehicle so assigned as well as all tools and equipment with which it is furnished.
4. Whenever possible, vehicles shall not be parked on public streets, but shall either be garaged at the employee's home or parked on private property. (Added from Side Letter 10/6/95).

c) Standby Beepers

The City will provide electronic beepers to employees assigned to standby pursuant to this Memorandum of Understanding.

5.08 Pesticide Differential

An employee who is assigned to operate and/or drive a motorized sprayer of fifty (50) gallons capacity or larger shall receive a salary differential of five percent (5%) above the salary step currently held for all hours during which the employee actually operates the aforesaid equipment. Only those employees who possess a valid Agricultural Pest Control Applicator's License, and who possess the requisite knowledge and experience to safely and effectively operate the equipment shall be eligible to receive this salary differential. This salary differential shall not apply during periods of paid leave nor during the use of accrued compensatory time.

5.09 Wastewater Treatment Plant Certification Differential

Five percent (5%) differential pay for Grade II Certificates will be rolled into the base pay of all Operators. Five percent (5%) special assignment pay for all Lead Operators for Grade III Certificates will be rolled into the base pay.

5.10 DMV Certification

Employee assigned to perform testing, DMV certification and maintenance of related documents shall qualify for special assignment pay of five percent (5%) above salary step currently held.

5.11 Water Treatment Certification Differential

Employees in the classification of Utilities Service Worker shall obtain and maintain current a Water Treatment Grade II certification by July 1, 2000 and shall receive the following differential:

- Upon receiving the certification of Water Treatment Grade I - 3%.
- Upon receiving the certification of Water Treatment Grade II, the Utilities Service Worker shall receive an additional 3% for a total of 6%.
- In the event the employee receives the Grade II certification without receiving a Grade I, employee shall receive 6%.

When all Utilities Service Workers acquire Grade II Certifications the salary range for this position shall be adjusted to reflect the six percent (6%) increase and the job specification shall be revised to incorporate the requirement of a Water Treatment Grade II.

5.12 Heavy Equipment Repair Differential

Employees in the classification of Equipment Mechanic I and Equipment Mechanic II shall receive premium pay of five percent (5%) for hours worked performing maintenance and repair of City-owned vehicles that are 26,000 lbs. or more GVWR (gross vehicle weight); street sweepers; heavy construction equipment, and fire service apparatus.

5.13 Distribution Certification Differential

The following classifications shall receive a five percent (5%) differential for maintaining a State approved D-3 level of certification:

- Senior Utility Leader Field Services
- Senior Utility Leader Customer Services

Other Employees who attain a State approved D-3 Certification shall also be entitled to receive a five percent (5%) differential. The position descriptions for each affected classification shall be amended to reflect the State minimum certification requirements.

5.14 Bilingual Pay

Department heads shall identify those employees who are required in the performance of their duties to converse with the public in a language other than English. Employees so designated, who have demonstrated their competency in a second language shall receive bilingual pay in the amount of Thirty Dollars (\$30) per pay period until such time as the designation is revoked.

6.00 MEET AND CONFER - TIME OFF FOR REPRESENTATIVES

6.01 Time Off for Representatives

The City shall allow a reasonable number of employee representatives of the Union reasonable time off during regular work hours without loss of compensation or other benefits to four (4) such employees when formally meeting and conferring with representatives of the City on matters within the scope of representation.

The City agrees to continue discussions of release time for Union Stewards to participate in Union trainings.

6.02 Union Stewards

A steward and one (1) alternate steward shall be appointed by the union in each of the following work units:

- Airport Division
- Animal Control Division
- Equipment Management Division
- Facilities Maintenance Division
- Landscape Maintenance Division
- Streets Maintenance Division
- Traffic Services Field Crew
- Utilities Division - Water Pollution Control Facility
- Utilities Division - Water Distribution & Maintenance
- Utilities Division - Sewer Maintenance

The work area designations specified above may be modified by mutual agreement of the parties. A specified number of employee representatives, as agreed upon by the City and the Union, may be released from work for the purpose of attending union/management meetings with department heads or other managers. Employee representatives shall not leave their work stations or assignments without specific approval of the department head or other authorized City Management official.

The Union shall provide the City Manager or his/her designee with timely written notification of the names of chapter executive board members and stewards.

7.00 BENEFITS PLANS

7.01 Medical Insurance

The City contracts with the California Public Employees' Retirement System (CalPERS) for the purpose of providing medical insurance benefits for active employees, eligible retired employees and eligible survivors of retired employees. Eligibility of retired employees and survivors of retired employees to participate in this program shall be in accordance with regulations promulgated by CalPERS.

The City shall pay a monthly premium amount on behalf of each active employee who subscribes for coverage. In the event PERS requires a minimum employer payment in excess of Ninety Seven Dollars (\$97.00) per month, the City shall pay

such additional amounts during the term of this Memorandum of Understanding only.

The City shall pay a monthly premium amount on behalf of each eligible retired employee or eligible survivor of a retired employee who subscribes for coverage. In the event PERS requires a minimum employer payment in excess of the current Nine Dollars and eighty cents (\$9.80) per month, the City shall pay such additional amounts during the term of this Memorandum of Understanding only.

7.02 Flexible Benefits Plan

The City shall continue in effect a Flexible Benefits Account for each full-time employee in regular or probationary status who is enrolled in one of the PERS medical insurance plans offered by the City. The City shall make a monthly payment to each employee's Flexible Benefit Account in an amount which, when combined with contribution amounts specified in Section 7.01 of this Memorandum of Understanding, is sufficient to pay 100% of the premium required of the employee by reason of his or her enrollment, and the enrollment of eligible dependents if any, in a PERS medical insurance plan. For the purpose of this section, a dependent is defined as a person who satisfies the definition of dependent in the PERS medical insurance plan in which the employee is enrolled.

Employees are eligible to enroll in the CalPERS medical plan of their choice, pursuant to CalPERS regulations. After Union ratification and City Council approval of the MOU, the City agrees to pay up to 100% of the premium cost for any CalPERS plan, with the exception of the most costly plan. Currently the most costly plan is PERSCare. With the exception of employees currently enrolled in the most costly plan (PERSCare), any employee wishing to enroll in the most costly plan (currently PERSCare) shall pay the difference in premium between the most costly plan and the second most costly plan, currently Blue Shield. Employees currently enrolled in the PERSCare health plan shall be eligible for 100% City contribution toward the premium only through December 31, 2008.

The City shall pay in full for the second most costly CalPERS plan, or any lower cost plan, and employees wishing to enroll in the highest cost plan will pay the difference in cost between the second most costly and the highest plan. Should a new plan be created that is lower in cost than the current most costly plan but higher in cost than the other plans currently offered, the parties shall meet and confer regarding new City premium contributions.

In no event shall the City's contribution pursuant to the provisions of Sections 7.01 and 7.02 of this Memorandum of Understanding exceed the premium rate which is in effect on the expiration date of this Memorandum of Understanding for the PERS medical insurance plan selected by the employee.

The City will not treat these monies under the Flexible Benefits plan as compensation subject to income tax withholding unless the Internal Revenue Service or the Franchise Tax Board indicates that such contributions are taxable income subject to withholding. Each employee shall be solely and personally responsible for any federal, state or local tax liability of the employee that may arise out of the implementation of this section or any penalty that may be imposed therefore.

A change in the City's contribution by reason of an employee's adding eligible dependents for coverage and/or by reason of a change in plan enrollment by the employee shall be in accordance with regulations promulgated by PERS and the medical plan provider. Each employee shall be responsible for providing immediate written notification to the Human Resources Director of any change to the number of his or her dependents which affects the amount of the City's payment to the Flexible Benefits Account. An employee who, by reason of failing to report a change in dependents, receives a City payment greater than the amount to which he or she is entitled shall be liable for refunding the excess amounts received via a reduction in the amount paid to his or her Flexible Benefits Account. Changes to flexible benefit payments required because of a change in an employee's number of dependents shall take effect at the start of the first pay period in the month next following the month in which advice from the employee is received by the Human Resources Director. No retroactive increases to the City's payments shall be allowed.

7.03 Dental Insurance

The City shall pay 100% for dental insurance coverage for full time employees, other than temporary and provisional employees, and their eligible dependents.

Benefits under the Delta Dental plan shall include the following: 100% payment of diagnostic and preventative services (exempt from deductible); 80% payment for other basic services, and crowns and cast restorations; 70% payment for prosthodontics; 50% payment for orthodontics (adults and children). Deductibles each calendar year shall be Twenty Five Dollars (\$25) per person with a maximum of Seventy Five Dollars (\$75) per family. Maximum benefit payments shall be Two Thousand Dollars (\$2000) per year for each patient except for orthodontics which shall carry a Twenty Five Hundred Dollars (\$2,500) lifetime maximum benefit per patient.

In the event the premium rate charged by the dental insurance carriers is increased, the City shall pay the additional amounts on behalf of employees during the term of this Memorandum of Understanding only.

The City reserves the right to provide dental care benefits under a plan or through a carrier of its choice. Alternate coverage may be provided through a consortium of public agencies or private employers which may be formed for the purpose of providing dental care benefits for employees; or through a program of self-insurance. In the event the City exercises this option the alternate coverage shall be substantially equivalent to the coverage in effect at such time as a change in carriers takes effect.

7.04 Federal or State Health Plan

If, pursuant to any federal or state law which may become effective subsequent to the effective date of this Memorandum of Understanding, the City is required to pay contributions or taxes for hospital medical, dental care, prescription drug or other health benefits to be provided employees under such federal or state Act, the City's obligation to furnish the same benefits under the PERS Medical Plan and Dental Plan shall be suspended and the contributions agreed to be paid monthly hereunder by the City under Sections 7.01, 7.02 and 7.03 of this Memorandum of Understanding shall be reduced each month by the amounts which the City is

required to expend during any such month in the form of contributions or taxes to support said federal or state health plan.

If, as a result of such a law, the level of benefits provided by such law for any group of employees, or their dependents, is lower in certain categories of services than those provided under Sections 7.01, 7.02 and 7.03, the City shall, to the extent practicable, provide a plan of benefits supplementary to the federal or state benefits so as to make benefits in each category of coverage as nearly comparable as possible to the benefits provided under said Sections 7.01, 7.02 and 7.03. The City need only expend for this purpose the actual amount required to achieve parity between the benefits agreed to be provided under Sections 7.01, 7.02 and 7.03 and the benefits provided under any federal or state plan as supplemented in the manner hereinabove described.

If the benefits provided under the federal or state Act exceed the benefits provided hereunder in each category of coverage, the City shall be under no further obligation to make any contribution in pursuance of this Section.

In the event that the federal or state government enacts a health care program requiring contributions by employees, such employee contribution shall be reimbursed by the City to the amount by which said employee contribution reduces the City contribution required under this Section of the Memorandum of Understanding.

7.05 Alternate Benefits

Employees shall be allowed an opportunity to select certain options as alternatives to those benefits listed in Section 7.01 and 7.02 of this Memorandum of Understanding.

A. Eligibility

Eligibility for receipt of alternate benefits is restricted to those employees for whom no City contribution is made towards premiums for group hospital-medical-surgical insurance because of coverage said employees have from an alternative source.

B. City Contribution

The City shall contribute One Hundred Fifty Dollars (\$150) per month for alternate benefits for those employees who would otherwise be eligible for "single-party" coverage under any one of the group medical insurance plans currently in effect, Two Hundred Seventy Dollars (\$270) per month for employees otherwise eligible for "two- party" coverage and Three Hundred Fifty Dollars (\$350) per month for employees otherwise eligible for "two-party plus" coverage because of dependents who would also be eligible for coverage under said plans. For permanent part-time employees the City contribution shall be as follows:

	.50 - .74	.75+
Single party	\$75.00	\$112.50
Two party	\$135.00	\$202.50
Two-party+	\$185.00	\$262.50

For the purpose of this Section, the term "dependent" shall mean a dependent eligible for coverage under a PERS medical insurance plan if such coverage had otherwise been elected by the employer.

C. Available Benefits

Contributions made by the City may be applied by the employee to one or both of the following options:

1. Purchase of past service credit with the Public Employees' Retirement System (PERS). The monthly amount of such contribution shall not exceed the monthly amount of benefit to which the employee is entitled by reason of participation in this program.
2. Contribution to the Deferred Compensation Plan currently in effect for City employees. The amount contributed must be uniform in each pay period and shall not exceed in any one month the monthly amount of benefit to which the employee is entitled by reason of participation in this program.

D. Enrollment Procedures

1. Initial Enrollment

Employees must apply to the Human Resources Director and specify (i) the number of dependents who would otherwise be eligible (as defined in Paragraph B above) to be covered under a City medical insurance plan and, (ii) the alternate benefit(s) to be selected and the amount of available City contribution to be applied thereto.

The effective date of participation shall be the first day of the first payroll period which occurs after thirty (30) days from the date application is received in the Human Resources Department.

2. Changes in Enrollment. Employees may elect to withdraw and resume medical insurance coverage available from the City, or request modification of their original selection of alternate benefit(s). Only one such change shall be permitted within a single calendar year, and applications for same must be made on or before September 1st.

In addition to the foregoing, changes in enrollment status will be allowed as required upon a change in the number of an employee's dependents, provided such change has an effect upon his or her participation in the program. An employee who experiences an increase in eligible dependents, and who is already enrolled in the program, may apply for a corresponding increase in benefit amounts contributed by the City. An employee who experiences a decrease in eligible dependents shall be required to report same to the Human Resources Department, and a corresponding reduction in benefit amounts contributed by the City shall be made after consultation with the employee. All such adjustments in benefit amounts shall take effect on the first day of the payroll period next occurring after thirty days from the time a change in dependent status is reported by the employee.

The City Manager may, in individual cases, grant exceptions to the enrollment procedures recited above because of unforeseen circumstances which may result in hardship to an employee.

7.06 Life Insurance

The City shall pay the entire cost of providing each regular and probationary employee with Fifty Thousand Dollars (\$50,000) group term life insurance with said policy to include accidental death and dismemberment coverage, and the right to conversion at the time of termination of employment to a form of permanent coverage without medical restrictions. Part-time employees who consistently work twenty (20) or more hours per week shall be eligible for Twenty Five Thousand Dollars (\$25,000) City paid group term life insurance coverage following sixty (60) consecutive days of employment.

7.07 Medical, Dental and Flexible Benefits for Certain Part-Time Employees

Employees in part-time status shall be entitled to participate in group medical and dental insurance programs, and to receive a payment from the City to be applied to such plans subject to the following conditions:

1. Only those employees hired into positions budgeted for twenty (20) or more hours per week and who consistently work twenty (20) or more hours per week shall be entitled to coverage under group medical and dental plans.
2. The amount of the City's payment for medical insurance shall be proportionate to that amount provided for full time employees in Sections 7.01 and 7.02 of this Memorandum of Understanding based upon the total number of hours worked each month by the part-time employee. For new employees, the amount of City contribution for medical insurance shall be based upon the employee's estimated work schedule during the first month of coverage. Thereafter, the actual number of hours worked by the employee each month shall be used to determine the amount of City contribution towards medical insurance premiums in the month next following.
3. The amount of the City's payment for dental insurance shall be proportionate to the amounts paid on behalf of full time employees as specified in Section 7.03 of this Memorandum of Understanding. The calculation of proportionate payments shall be in accordance with the provisions of paragraph 2 of this section.

As an exception to the foregoing, full time employees who become part-time employees as a result of a City imposed reduction in hours will continue to receive City payment of medical and dental insurance premiums and will continue to participate in the Flexible Benefits plan on the same basis as for full time employees.

7.08 Vision Care

The City shall provide vision care insurance for employees and their eligible dependents. The plan shall require a Fifteen Dollar (\$15.00) deductible, and shall provide for an eye examination, lenses and frames once per year.

During the term of this Memorandum of Understanding, the City's contribution towards the purchase of this insurance shall be equal to the full premium of said plan.

7.09 Retired Employees

A supplemental monthly payment shall be made to each employee whose effective date of retirement from the City of Hayward is on or after January 1, 1982 subject to the eligibility criteria set forth below. For employees retiring after October 1, 1998, the amount of this supplemental payment, when combined with the amount to be paid on behalf of retired employees pursuant to Section 7.01 of this Memorandum of Understanding, shall not exceed a total of Two Hundred Twenty Six Dollars and one cent (\$226.01) per month. In no event shall the City's contribution exceed actual premium.

For employees who retire after December 31, 2007 and have 10 years of service with the City of Hayward, the City will pay Two Hundred Seventy Four Dollars and seventy two cents (\$274.72) toward retiree medical costs. Employees employed by the City on December 31, 2007 with at least five (5) years of service will be eligible for retiree medical at this benefit level.

In order to be eligible for this benefit, the employee's effective date of retirement must occur within one hundred twenty (120) days of the effective date of separation from employment with the City of Hayward, and he/she must be enrolled in a medical plan offered by the City of Hayward. The survivor of a retired employee who qualifies to receive this benefit is also entitled to receive the benefit provided (a) he or she has been designated by the Public Employees' Retirement System (PERS) to receive a survivor benefit under the Public Employees' Retirement System (PERS) plan, and (b) he/she is receiving said survivor benefit, and (c) he/she is a member of a medical plan offered by the City of Hayward. In the event a retired employee has designated more than one survivor who satisfies the above criteria, benefit payments made pursuant to this Section shall not exceed the monthly amount recited above for all such eligible survivors of the employee.

The City will not treat these monies refunded to retirees as compensation subject to income tax withholding unless the Internal Revenue Service or Franchise Tax Board indicates that such contributions are taxable income subject to withholding. Each employee shall be solely and personally responsible for any Federal, State or local tax liability of the employee that may arise out of the implementation of this section or any penalty that may be imposed therefore.

7.10 Employee Assistance Program

The City agrees to continue to provide an Employee Assistance Program at no cost to the employee for the duration of this Agreement. Such Program shall offer confidential counseling services to eligible bargaining unit employees and their eligible dependents, subject to a ten (10) session limitation per fiscal year.

The City and the Union will, during the course of future union/management meetings, continue to review the effectiveness of the EAP and recommend to the City Manager as necessary changes and/or additional training needs.

7.11 State Disability Insurance - (SDI)

SDI coverage shall continue for employees and shall be coordinated with employees' sick leave in order to extend the period of full pay for as long as possible while employees are disabled.

In conjunction with SDI coverage employees may be eligible for Paid Family Leave Insurance per State law. Employees eligible for this benefit may coordinate paid leave in order to extend the period of full pay for as long as possible while the employee is disabled.

In no event shall the employee receive disability benefits in conjunction with paid leave or any other paid leave that will exceed his/her full monthly gross salary.

7.12 Medical Flexible Spending Account and Dependent Care Spending Account

The City shall maintain a Section 125 Plan, permitting employees to pay for eligible expenses, such as employee premium contributions, medical expenses and dependent care cost, with pre-tax dollars. Participants will be responsible for any claims service charge. Participants in the Plan may annually deposit up to a maximum of Twenty Five Hundred Dollars (\$2,500) for medical expenses and Five Thousand Dollars (\$5000) for dependent care into the Plan. Each employee shall be solely and personally responsible for meeting provisions and requirements set forth in the regulations of Section 125 Plan and the Plan Administrator.

8.00 SALARY ADMINISTRATION

8.01 Salary Administration Policy

The policy governing preparation of a compensation plan shall be that of salary standardization, or like pay for like work.

8.02 Salary at Time of Employment

The plan may provide a flat salary rate or a salary range for each classification with a minimum, maximum, and one or more intermediate steps. The beginning or normal hiring rate shall usually be at the first step of the range. Every new employee shall be paid the first step on employment except that the City Manager or other appointing authority may authorize employment at a higher step if the labor supply is restricted or the person to be hired is unusually well qualified.

8.03 Eligibility for Advancement in Pay

Employees shall be advanced from Step A to Step B and from Step B to Step C in accordance with the time-in-step requirements outlined below. Thereafter, employees may be advanced to Steps D and E as merited by progressive improvement in job skills and work performance. The following time-in-step requirements shall apply before an employee gains eligibility for advancement in pay.

Step	Time-in-Step
A	6 months
B	6 months
C	1 year
D	1 ½ years
E	---

If warranted for the good of the service or when an employee demonstrates outstanding capacity in performing his or her duties, advancement may be made prior to completion of the above time-in-step requirements. When a pay range consists of less than five steps the range shall be established at the higher steps within the above time schedule. In determining time-in-step, it shall begin on the first day of the payroll period if employment occurs during the first five (5) days of the period, otherwise time shall begin on the first day of the next payroll period. Advancement in pay when approved, shall be effective at the beginning of the first pay period immediately following completion of the time-in-step requirement outlined above. If an employee is on leave without pay for more than one month, the period shall be deducted from accumulated time-in-step.

8.04 Attaining Advancement

An employee in order to be advanced to Steps D and E must demonstrate that advancement is merited on the basis of job performance. Advancements shall not be made solely because employees are eligible according to time-in-step requirements. Good attitude and personal conduct, work accomplished, conscientious attendance, safety alertness, efforts at self-improvement, positive customer service, and other factors of individual achievement must be evident as appropriate to the position. Department heads shall be notified by the Human Resources Director of an employee's approaching eligibility for step advancements.

8.05 Use of Performance Ratings in Determining Whether Step Advancement is Merited

Performance ratings shall guide supervisors and department heads in determining whether step advancements have been earned and should be recommended to the City Manager. Performance ratings shall also serve as a means whereby an employee may benefit from a regular review of his/her performance by his/her immediate supervisor for: A. clarifying the supervisor's and the employee's expectations regarding job performance; B. reviewing the employee's performance of duties assigned and noting deficiencies requiring improvement or recognizing exemplary performance; and C. establishing employee developmental goals in appropriate career or performance areas.

No SEIU employee shall impose discipline or conduct a performance evaluation of any other SEIU employee. However, an SEIU employee may provide input regarding employee performance, including performance evaluations.

8.06 Withholding Step Advancement

Department heads have the authority and responsibility to recommend to the City Manager that step advancements be withheld if they are not merited. Department heads shall keep their employees informed about their job performance, giving good work its proper recognition and any deficient work all possible guidance and assistance toward improvement. Department heads shall notify the employee as to the reasons for withholding step advancements prior to submitting such recommendation to the City Manager.

8.07 Change in Pay Upon Promotion

When employees are promoted, they shall receive the first step in the salary range for their new position or be placed on a step that represents a minimum salary increase of five percent (5%) added to base salary whichever is greater. However in no case shall the increase be greater than the fifth step of the classification to which the employee is promoted. When recommended by the department head and approved by the City Manager, additional advancement may be granted.

An employee promoted to a higher position who, at the time of promotion is serving in such position in an acting or provisional status, may have all or a portion of the time continuously served in acting or provisional status credited towards satisfaction of the probationary period for the position. Credit allowed for this purpose, if any, shall be at the sole discretion of the Department Head, and shall not affect the employee's effective date of regular status in the promoted position.

8.08 Change in Pay Upon Demotion

When employees are demoted they shall be placed in a salary step in their new class which is the same as or above the step held prior to demotion providing said demotion is not the result of disciplinary action.

8.09 Change in Pay Upon Reclassification

When a position is reclassified to a classification with a higher pay range, and the incumbent employee retains the position, that employee shall receive the first step in the new salary range or be placed on a step that represents a salary increase of a minimum of five percent (5%) added to base salary whichever is greater. However in no case shall the increase be greater than the fifth step of the range of the new classification to which the employee is reclassified. When recommended by the department head and approved by the City Manager, additional advancement may be granted. If no change in salary is granted, the employee may be allowed to carry forward time-in-step accumulation.

In the event the City reclassifies a position from a lower level classification to a higher level classification, the City Manager may in his/her sole discretion appoint the incumbent occupying such reclassified position without competitive examination providing said incumbent meets the minimum qualifications (employment standards) for the higher classification. The Union shall be notified of appointments made pursuant to this provision.

When a position is reallocated to a classification with a lower salary range, the incumbent employee shall not be reduced in pay while he or she continues to occupy the position. If the current rate is below the maximum step of the new range the employee shall continue at the present salary and carry forward time-in-step accumulation. If the current rate exceeds the maximum step of the new range, the salary shall be frozen at its current level. When the incumbent leaves the position, a replacement shall normally be hired at the beginning rate.

8.10 Working Out of Class

Employees may be assigned to perform the duties of a higher classification on an out-of-class basis when a vacancy exists in such higher paid classification or when

an additional job for which there is no available incumbent is required to be filled for a work shift. An out-of-class assignment shall only be made by the department head or a designated representative at the beginning of the work shift, and employees designated to receive out-of-class pay shall be provided with a written notice assigning them to the higher classification on an out of class basis.

An employee qualifying for out of class pay shall receive the salary step of the higher classification which represents an increase over the employee's present salary step held in his regular position assignment or a five percent (5%) increase in pay, whichever is the greater, for the full day of assignment to such classification. In no event shall an employee receive out-of-class pay at a rate which is in excess of the maximum rate of the classification to which he or she is assigned on an out-of-class basis. Work assignments shall not be changed for the sole purpose of evading the requirement of providing out of class pay to an employee who would otherwise be eligible.

An employee who is receiving out-of-class pay by reason of assignment to a position in the Management Unit shall not be entitled to receive overtime compensation during such period of assignment for overtime work involving the performance of duties associated with the out-of-class position. If such employee is required to perform overtime work in the performance of duties related to his/her regular position, the employee shall be entitled to receive overtime compensation based on the rate of pay for the regular position.

8.11 Special Assignment Positions

Special assignment positions within a classification may be established where duties and responsibilities are of a specialized nature by comparison to other positions in the class. Said positions may be established by the City Council following a report and recommendation thereon by the City Manager and the Personnel and Affirmative Action Commission. Selection of employees to said positions and removal from those positions shall be made by the City Manager upon recommendation of the department head. An employee so assigned shall receive a salary increment not to exceed five percent (5%) of the employee's present salary.

8.12 Flexibly Staffed Classifications

The job duties of employees hired into flexibly staffed positions within this unit shall be formally evaluated no later than eighteen (18) months from date of appointment to the position to determine whether duties performed and skills acquired justify a reallocation to the higher level position. Such evaluations may be performed by the supervisor(s) in conjunction with Human Resources Department staff and recommendations for advancement shall require approval of the City Manager or designated representative.

8.13 Special Pay for Supervising Court Referrals/GAIN/GAE Participants

An employee assigned by a supervisor or management employee to supervise, direct, and monitor the activities of court referrals and/or GAIN/GAE participants (or other welfare program participants) shall be paid five percent (5%) over his/her regular salary step for the actual hours of such activity only. Special pay for

supervising court referrals shall not be paid in conjunction with any overtime pay earned by virtue of extra hours worked in a day or extra days worked in a week. Such assignments shall be voluntary, and shall be rotated among those employees in a work unit who are available and qualified to perform the work.

9.00 SALARIES

Salaries for classifications in this representation unit shall be as enumerated on Appendix A to this Memorandum of Understanding. All bargaining unit salary ranges shall be increased as follows:

Effective the pay period including May 1, 2007	3%
Effective the pay period including May 1, 2008	3%
Effective the pay period including May 1, 2009	4%
Effective the pay period including May 1, 2010	4%

In addition to the above cost of living increases, positions will receive equity adjustments as indicated in the attached equity adjustment schedule. Such adjustments shall be in three (3) equal parts applied over the first three (3) years of this contract.

9.01 Salary Survey

No later than February 1, 2011, the City will provide the Union with salary survey data in preparation for negotiating a successor agreement. The survey shall compare Hayward benchmark classifications to comparator agencies in reference to the market average at that time. In addition, data regarding medical benefits shall be compiled. The City will cooperate with the Union by providing all data requested regarding the survey. The City agrees to include medical benefits in the salary survey data used in subsequent negotiations with other bargaining units.

9.02 Lead and Senior Differential Pay

The wage rates for the classifications "Lead", and "Senior" shall be set at ten percent (10%) above the highest base wage rate of the linked classifications. In the event wages of incumbents in the referenced classifications are higher than the proposed ten percent (10%), such wages shall not be reduced or excluded from negotiated COLAs. The following classifications, due to the level of responsibility, shall be set at fifteen percent (15%) above the highest base wage rate of the linked classification.

- Groundskeeper III
- Senior Maintenance Leader
- Senior Utility Customer Service Leader
- Senior Utility Leader
- Cross Connection Control Specialist

9.03 Pay Raises

The City Personnel/Payroll Action Request (PPAR) forms will show the percentage increase in salary after promotion.

In order to avoid a delay in processing of step increases, supervisors may submit recommendation for step increases in advance of the written performance evaluation.

10.00 RETIREMENT PROGRAM

10.01 Retirement Program

The City will continue to contract with the Public Employees' Retirement System (PERS) to provide a retirement program for employees. Benefits shall include 2.5% @ 55 Full Retirement Formula, Fourth Level Survivor's Benefits Program, Repurchase of Military Service Credit, and Continuation of Death Benefit after Remarriage of Survivor.

In addition, the City will continue the IRS Section 414h2 method of reporting retirement payments wherein the amount of income reported to the IRS for the employee is reduced by the amount of the employee contribution to the retirement plan. The 414h2 option will apply only to the additional 1% employee PERS contribution.

The City will continue to pay the 7% employee PERS contribution, and continue to report such to PERS as "special compensation".

10.02 Social Security Coverage

Employees who are not eligible for enrollment in the Public Employees' Retirement System and who, in accordance with the federal Omnibus Budget Reconciliation Act of 1990, are required to be covered by Social Security or an alternate system shall be enrolled in the Public Agency Retirement System (PARS). The City shall contribute 3.75% of covered earnings into the employee's PARS account.

10.03 Deferred Compensation

In the event the City is required by law at some future date to resume contributions to the Social Security Program or a successor federal program, the then current salaries for all employees will automatically be reduced by 1.912%.

A Deferred Compensation Plan has been established for the benefit of employees, other than temporary and provisional employees. The City shall continue to contribute an amount equal to 3.4% of each eligible employee's regular straight-time salary to the Deferred Compensation Plan provided, however, the City shall not be obligated to make contributions for that portion of any salary in excess of \$29,700 per year and provided further that in the event the City is required by law at some future date to resume contributions to the Social Security program or a successor federal program, the City contribution will automatically cease. Except for those changes which are necessary or desirable to obtain or maintain the favorable tax status of the Plan, any changes in the written Plan document governing the implementation and administration of the Deferred Compensation Plan adopted by the Hayward City Council on May 12, 1981 with respect to termination or

modification of the Plan will be jointly decided upon by the Administrative Committee in Section X of the Plan document.

11.00 HOLIDAYS

11.01 Holidays Observed by the City

The following days shall be holidays for all full-time employees other than temporary and provisional employees.

- New Year's Day (January 1)
- Martin Luther King Day (third Monday in January)
- Lincoln's Birthday (February 12)
- President's Day (third Monday in February)
- Memorial Day (last Monday in May)
- Independence Day (July 4)
- Labor Day (first Monday in September)
- Admission Day (September 9)
- Columbus Day (second Monday in October)
- Veterans' Day (November 11)
- Thanksgiving Day (fourth Thursday in November)
- Friday after Thanksgiving Day (Friday following 4th Thursday in November)
- Christmas Eve (December 24)
- Christmas Day (December 25)

If any of said holidays fall on a Sunday, the following Monday shall be observed as a holiday provided, however, that Christmas and New Year's Day shall be observed on the day the holiday actually falls for employees who work a 7-day operation. If Christmas Eve falls on a Sunday, the holiday shall be observed on the previous Friday. If a holiday falls on a Saturday, the previous Friday shall be observed as a holiday. If a holiday falls on an employee's regular day off employee shall be credited with equivalent time to either compensatory time or vacation leave.

11.02 Holidays for Permanent Part-Time Employees

Only those employees hired into positions budgeted for twenty (20) or more hours per week and who consistently work twenty (20) or more hours per work shall be eligible to receive holiday pay. For each holiday observed by the City, the amount of holiday pay or credit provided part-time employees shall be based upon the employee's regular work schedule, i.e., the average number of hours worked each week divided by five (not to exceed eight (8) hours).

11.03 Qualifying for Holiday Pay

All employees who qualify for pay on holidays observed by the City shall receive holiday pay provided that an employee who fails to report for a scheduled work shift on any of such holidays shall receive no pay; and provided also that in order to qualify for such paid holidays the employee must report for work on both his/her last regular work day immediately preceding the holiday and on his/her first regular work day following a holiday, and unless the employee so reports he/she shall receive no

pay for such holiday. As an exception to the foregoing an employee who does not report for work as herein provided shall receive holiday pay if the reason for such absence is a bona fide illness supported by a statement from the attending physician or for another legitimate reason. Department Heads or their designated representatives may waive the requirement for a physician's statement in support of an absence because of illness. Employees otherwise entitled to holiday pay but who are absent due to lay-off for a period not to exceed fifteen (15) days immediately preceding the holiday shall nevertheless receive holiday pay.

11.04 Compensation for Holidays Worked

Prior approval for holiday work must be secured from the City Manager except in emergency situations where said approval cannot be obtained beforehand.

Any work performed on the above holidays shall be paid for at the rate of time-and-one-half the straight time rate or time off with pay at time-and-one-half (1.5) the straight time rate; provided that employees who are entitled to pay or an equivalent credit to vacation leave as provided in Section 11.01 above for any such holidays if not worked shall receive such holiday pay or equivalent time off in addition to the time-and-one-half (1.5) they are paid for working. There shall be no pyramiding of overtime.

11.05 Holiday-New Year's Eve

Full time employees shall be allowed the last half (four (4) hours) off on the work day immediately preceding the day on which New Year's Day is observed. An employee unable to be released for this time shall receive four (4) hours of compensatory time or vacation leave.

Part-time employees shall be afforded time off pursuant to this provision at the rate of one-half (.5) hour leave for each full hour of leave granted full time employees.

11.06 Holiday Pay for Twenty-Four Hour Employees

When holidays fall on Saturday or Sunday, seven day, twenty-four hour employees who work on the actual holiday shall be paid compensatory time or overtime for the day worked NOT the day observed by the City.

12.00 VACATIONS

12.01 Vacation Leave Policy

Vacation leave is a right; however, the use of same shall be approved by the department head or his/her designee, taking into account the desires and seniority of employees and, more particularly, the workload requirements of the department. Employees shall take vacation leave regularly each year and shall be encouraged to take vacation at least a full week at a time. In order to give effect to this policy and to realize the greatest benefit from vacation leave for both employees and the City, limitations shall be placed upon the amount of unused vacation leave an employee is allowed to accumulate.

If an employee exhausts his/her vacation leave, the employee may apply for another eligible paid or unpaid leave as provided for in this Memorandum of Understanding. If no other leave is approved, the leave will be documented as Unauthorized Leave Without Pay. No vacation leave accruals will be credited in advance. No vacation leave will be earned while on an unpaid leave.

If vacation leave is used for purposes that qualify under a state or federal leave law, such as Family Medical Leave Act/California Family Rights or Pregnancy Disability Leave, the leave taken will count toward the state or federal leave entitlement.

12.02 Vacation Accrual for Full-Time Employees

All full-time employees other than temporary and provisional shall accrue vacation leave benefits each payroll period based upon the number of hours the employee is entitled.

Vacation accrual schedule for employees who are budgeted and work full time:

Years of Service	Per 80 Hr. Period	Hourly Equivalent	Annual
0 to end of 4 yrs.	3.08 hrs.	.0385 hrs.	80 hrs.
5 to end of 9 yrs.	4.62 hrs.	.0578 hrs.	120 hrs.
10 to end of 19 yrs.	6.16 hrs.	.077 hrs.	160 hrs.
20 yrs. & more	7.70 hrs.	.0963 hrs.	200 hrs.

For purposes of crediting service time for vacation accruals, a former employee who is reinstated after an absence of more than one year shall not receive credit for his/her prior service time nor will an employee who was serving in a temporary, provisional or contracted appointment and appointed to a regular appointment be credited with his/her temporary, provisional or contract service time.

Vacation leave can be accrued but shall not be granted during the first six months of service. Vacation is accrued for all regular hours worked and shall continue to be earned during other authorized leaves with pay. When a holiday falls during an employee's absence on vacation leave, it shall not be deducted from employee's accrued leave.

The maximum vacation accrual cap shall be twice the employee's annual rate. Employees shall be permitted to accrue above the cap during the year but must be at or below the cap by the pay period which includes December 31st each calendar year. Exceptions may be permitted on approval of the Department Head and the City Manager. In granting such exceptions the City Manager may specify a time within which such excess vacation leave must be used. Failure to use such excess vacation leave within the time specified by the City Manager shall cause no additional vacation leave to accrue. It shall be the responsibility of each employee to insure the full use of vacation leave credits received by scheduling the necessary time off each year.

12.03 Vacation Accruals for Permanent Part-Time Employees

Only those employees hired into positions budgeted for twenty (20) or more hours per week and who consistently work twenty or more hours per week shall be eligible for vacation leave.

Notwithstanding the foregoing, employees who are hired in part-time status and full time employees who assume part-time status shall accrue vacation benefits each payroll period based upon the total number of hours for which the employee was compensated in the payroll period. In order to be eligible for this benefit employees must consistently work a half-time schedule or more. The amount of vacation so accrued shall be proportionate to that earned by full time employees in the same payroll period. The vacation accrual schedule specified in Section 12.02 of this Memorandum of Understanding will be used for purposes of prorating vacation leave.

Vacation leave can be accrued but shall not be granted during the first six months of service. Vacation is accrued for all regular hours worked and shall continue to be earned during other authorized leaves with pay.

The use of vacation shall be subject to the provisions of Section 12.01, 12.03, 12.04 and 12.05 of this Memorandum of Understanding. As of the end of the pay period which includes December 31 of each calendar year, no employee shall be allowed to maintain a balance of unused vacation leave in excess of twice the allowance earned by the employee in the preceding twelve (12) month period. Exceptions to the foregoing may be permitted pursuant to the provisions of Section 12.02 of this Memorandum of Understanding. The maximum vacation accrual cap shall be twice the employee's annual rate. Employees shall be permitted to accrue above the cap during the year but must be at or below the cap by the pay period which includes December 31st.

12.04 Payment for Unused Vacation Leave

Leave time earned but unused at date of termination shall be added to final pay.

12.05 Vacation Leave Records

Vacation leave records shall be maintained through the payroll system. After an absence is approved as vacation leave, it shall be deducted from an employee's leave balance.

13.00 SICK LEAVE

13.01 Sick Leave Policy

Sick leave is a paid leave. Sick leave shall be allowed in case of an employee's bona fide illness or injury, or for an employee's doctor/health appointments. Sick leave shall be approved by the Department Head or a designated representative.

Employees shall whenever possible make appointments for medical, dental, and other health and wellness purposes on non-work time. If this is not possible, sick leave may be used for these purposes and should not exceed four hours except in unusual circumstances.

In addition to the foregoing, sick leave may be used as family sick leave to care for an ill or injured family member or to take a family member to a doctor appointment. A family member is a child, parent, spouse, registered domestic partner, or the child of a registered domestic partner as defined by California Labor Code 233. For family members who reside in the employee's home, there is no limit on the amount

of sick leave that can be used as family sick leave by full time or part-time employees. For family members who reside outside of the employee's home, up to half of his/her annual sick leave accruals per calendar year may be used as family sick leave by full-time employees. Part-time employees are allowed to use up to half of his/her annual sick leave accruals (based on his/her budgeted work schedule) per calendar year as family sick for family members who reside outside of the employee's residence.

If an employee exhausts his/her sick leave, the employee may apply for another eligible paid or unpaid leave as provided for in this Memorandum of Understanding. If no other leave is approved, the leave will be documented as Unauthorized Leave Without Pay. No sick leave accruals will be credited in advance. Sick leave will not be earned while on an unpaid leave.

If sick leave is used for purposes that qualify under a state or federal leave law, such as Family Medical Leave Act/California Family Rights or Pregnancy Disability Leave, the leave taken will count toward the state or federal leave entitlement. If an employee is unable to return to work and has exhausted all of his/her leave entitlements, the employee may be retired for disability or separated.

13.02 Sick Leave Allowance for Full-time Employees

All full-time employees other than temporary and provisional shall accrue sick leave benefits each payroll period based upon the number of hours the employee is entitled. The full time sick leave accrual rate is 3.7 hours per payroll period. After an absence is approved as sick leave, it shall be deducted from an employee's leave balance. Employees shall earn sick leave credits in accordance with the foregoing schedule from their initial date of employment and shall be entitled to the use of sick leave upon completion of three months of continuous, full-time satisfactory employment. There shall be no limit upon the number of hours of unused sick leave which may be accumulated by an employee.

13.03 Sick Leave Allowance for Part-time Employees

Only those part-time employees employed in positions budgeted for twenty (20) or more hours per week and who consistently work twenty (20) or more hours per week shall be eligible for sick leave. The amount of sick leave accrued by part time employees shall be proportionate to the hours worked.

The use of sick leave so earned by part-time employees shall be subject to the provisions of Sections 13.01, 13.03, 13.04, 13.05 and 13.06 of this Memorandum of Understanding. Eligible part-time employees who are scheduled to work, but who are unable to do so because of illness, shall be charged sick leave in an amount equal to the number of hours of work for which they were scheduled on the day(s) they were unable to work due to illness.

The use of sick leave shall not be permitted for part-time employees during the first three (3) months of service. Sick leave can be accrued but shall not be granted during the first three months of service. Sick leave is accrued for all regular hours worked and shall continue to be earned during other authorized leaves with pay.

13.04 Sick Leave Notice and Certification

A. Procedure for Compensation

In order to receive compensation while absent on sick leave, the following procedures shall apply:

1. Employees assigned to continuous shifts in the Wastewater Treatment Plant, or someone on their behalf, shall notify their supervisor at least two (2) hours prior to the commencement of their scheduled shift whenever they will be unable to report for said shift due to illness, injury or unforeseen emergency.
2. All other employees shall notify their supervisor or designated representative prior to the commencement of their scheduled shift whenever they will be unable to report for work due to illness, injury or unforeseen emergency.

Department heads may waive these requirements upon presentation of a reasonable excuse by the employee.

Employees shall file a personal affidavit or physician's certificate with their supervisor if required by their Department Head or his/her designee, stating cause of absence. After five (5) working days' absence, the employee's supervisor may require a physician's certificate. If employees become ill while on vacation, periods of illness may be charged to sick leave upon presentation of a physician's certificate. In case of frequent use of sick leave employees may be requested to file physician's certificates for each illness, regardless of duration, after having been counseled about their use of sick leave. A physician's certificate needs to include the name and signature of the attending physician, the date and time the employee was seen by the physician. Employees may also be required to take an examination by a physician designated by the City and to authorize consultation with their own physician concerning their illness. Sick leave shall not be granted for absences caused by substance abuse or excessive use of alcoholic beverages. As an exception to the foregoing, sick leave may be authorized for the treatment of alcoholism or substance addiction when such condition has been diagnosed by competent medical authority.

These same requirements may also be applied for family sick leave requests.

B. Certification as a Result of Concerted Job Action

1. In the event the City Manager finds that employee absences from duty are the result of a concerted job action, any employee claiming sick leave with pay shall be required to provide certification on a form prescribed by the City. Such form shall include but not be limited to the name and signature of the attending physician, the date and time the employee was seen by the physician, and the physician's certification that the illness or injury was of such nature as to prevent the employee from performing his/her job, but disclosure of a specific medical diagnosis shall not be required. A determination by the City Manager that a job action exists, necessitating the sick leave certification procedures required herein, shall be final and not subject to any grievance procedure in effect between the Union and the City. Nothing herein shall prevent a department head from approving the payment of sick leave in situations where the employee submits alternative proof of disability satisfactory to the department head showing that the employee was unable to work on the date(s) for which sick leave is requested.

13.05 Payment for Unused Sick Leave

Any full-time employee leaving the employment of the City in good standing after having completed twenty (20) years of continuous service, or upon retirement from the City for service or disability, or upon termination of employment by reason of death shall receive payment for a portion of that sick leave earned but unused at the time of separation. The amount of this payment shall be equivalent to one percent (1%) of sick leave earned but unused at the time of separation times the number of whole years of continuous employment times an employee's hourly rate of pay at the time of separation.

For the purpose of this computation, the hourly rate of pay for an employee who works a 40 hour week shall be his or her annual salary including any City-paid employee PERS contribution divided by 2080 hours. Payment of unused sick leave for part-time employees shall be based upon the hourly rate of pay in effect at the time of separation including any City-paid employee PERS contribution.

That portion of an employee's sick leave balance for which payment is not provided shall be canceled, and shall not be restored if said employee is reinstated.

13.06 Sick Leave Records

Sick leave records shall be maintained through the payroll system. After an absence is approved as sick leave, it shall be deducted from an employee's leave balance.

Upon separation of employees, sick leave balances for which payment has not been made shall be canceled, and shall not be restored if a former employee is reinstated.

14.00 MISCELLANEOUS LEAVES

14.01 Bereavement Leave

All full-time employees other than temporary and provisional employees shall be granted bereavement leave with pay for not more than three (3) workdays upon the occasion of the death of a close relative or a domestic partner registered with the City in a manner prescribed by the Human Resources Department. When additional time is desired, employees may be allowed to take accumulated vacation leave or compensatory time due off. For the purpose of this section a close relative is defined as any relation of the employee, by blood or marriage, where one or more of the following conditions are present:

- a. The employee will be attending the services of the deceased
- b. The employee is responsible for or involved with service arrangements and/or estate settlement for the deceased
- c. The employee's relationship with the deceased was of a close and personal nature such that time is required by the employee to deal with his/her bereavement or to participate in memorial services, either religious or non-sectarian.

When requesting such leave, employee will be required to certify to the department head or a designated representative the conditions for granting bereavement leave have been satisfied. Upon presentation of such a request the department head shall determine whether leave shall be granted and in what amount. Additional bereavement leave of two (2) work days for travel purposes not to exceed a total of five (5) work days may be granted by the department head when circumstances warrant the same.

Part-time employees who work a continuous schedule of twenty (20) or more hours per week shall be granted bereavement leave with pay as necessary on the same basis as full time employees except that the leave amount shall be prorated based on hours worked not to exceed the number of days provided to full time employees.

14.02 Jury Leave

An employee summoned to jury duty shall inform his/her supervisor and, if required to serve, may be absent from duty with full pay. Any jury fees received by an employee shall be remitted to the City. Employees who are required to appear and testify in court on matters relating to or arising out of their official duties as employees of the City of Hayward shall suffer no loss of pay by reason of such appearance(s).

Any employee scheduled to begin service on a jury three (3) or less hours from the start of their scheduled work shift shall not be required to report to work beforehand. Any employee released from jury duty with four (4) or more hours remaining in their scheduled work shift shall then report to work; provided, however, in no event shall this combination of jury duty and work time exceed the total number of hours of the employee's regularly scheduled shift. The City shall afford the employee reasonable travel and meal time in cases where the employee reports to work from jury duty.

An employee who is seated as a juror or alternate juror shall inform the supervisor on or before the day the trial begins of the estimated length of the trial. If an employee is required to serve on jury duty on his/her regularly scheduled days off the City will endeavor to reschedule the days off beginning with the sixth day of a combination jury duty and work duty, provided that such rescheduling does not require the payment of overtime.

14.03 Military Leave

This provision shall be in compliance with all applicable State and federal laws and is governed per Resolution by the City of Hayward.

14.04 Industrial Disability Leave

For employee injury or disability falling within the provisions of the State Workers' Compensation Disability Act, disability compensation at the rate allowed under said Act shall be the basic remuneration during the employees' period of disability. In the case of regular (off probation) full-time and part-time employees other than temporary and provisional employees, additional compensation equal to the difference between said employees' regular pay and the disability compensation allowance shall be granted for up to one year during any three year period regardless of the number of injuries during that three year period. The number of hours each day for which a part-time employee is compensated pursuant to the

provisions of this Section shall be equivalent to the average daily number of hours worked by the employee during the fifty-two week period immediately preceding his absence because of industrial disability. In the event a waiting period is required before an employee's disability compensation allowance is payable, his or her regular pay shall be provided during said waiting period.

Employees may integrate sick leave usage with their workers' compensation temporary disability payments to extend the time in which full salary can be received. If sick leave is exhausted before the employee returns to work, vacation, and compensation time may be used. In no event shall the employee receive disability benefits in conjunction with sick leave, vacation, comp time, or any other paid leave that will exceed his/her full monthly gross salary.

The City reserves the right to withhold payment of any disability benefits until such time it is determined whether or not the illness or injury is covered by Workers' Compensation.

14.05 Leave Without Pay

A Department Head, upon written request of a full-time employee other than temporary or provisional employees, may grant authorize leave under this provision for a maximum of eighty (80) hours per calendar year. An employee will continue to receive health benefits but is still responsible for any out of pocket expenses. No leave accruals will be earned. If the leave is requested for purposes covered by a state or federal leave law such as but not limited to School Issues and Activities Leave, the leave will be approved if required by law. If Leave Without Pay is used for purposes that qualify under a state or federal leave law, such as Family Medical Leave Act/California Family Rights or Pregnancy Disability Leave, the leave taken will count toward the state or federal leave entitlement. If an employee is unable to return to work and has exhausted all of his/her leave entitlements, the employee may be retired for disability or separated.

The employee may be required to deplete his/her paid leave balances before requesting this leave.

14.06 Leaves of Absence

The City Manager, upon written request of a full time employee other than temporary and provisional employees, may grant for the good of the service a leave of absence without pay for a maximum period of one (1) year. The City Manager may grant an extension of an approved leave of absence without pay for an additional period, said extension not to exceed one (1) year. Leaves hereby authorized shall include medical leaves, educational leaves, parental leaves, and leave for any other purpose promoting the good of the service. Part-time employees are eligible for leaves of absence on a pro-rata basis (e. g. half-time employees are eligible for one-half the leave of absence duration of a full-time employee).

Requests for parental leave of six (6) months or less shall be approved unless the granting of such leave is deemed to work hardship upon the City. Upon request of the employee and approval of the City Manager, up to six (6) additional months of unpaid parental leave of absence may be granted for a total not to exceed twelve (12) months.

Whenever granted, leaves of absence shall be in writing and signed by the City Manager. Upon expiration of such a leave, the employee shall be reinstated to the position held at the time leave was granted. Failure of the employee to report promptly at its expiration or within a reasonable time after notice to return to duty, shall terminate his or her right to be reinstated.

All eligible paid leaves must be depleted before this leave is taken. If Leave of Absence is used for purposes that qualify under a state or federal leave law, such as Family Medical Leave Act/California Family Rights or Pregnancy Disability Leave, the leave taken will count toward the state or federal leave entitlement. If an employee is unable to return to work and has exhausted all of his/her leave entitlements, the employee may be retired for disability or separated.

No benefits will be provided during this period except as provided below. Health coverage may be continued but at the employee's own cost in concurrence with COBRA laws. Employees who are out on a bona fide work related injury or illness or who are waiting for a determination on his/her CalPERS disability retirement application, will be placed on a Leave of Absence. However, employees on workers' compensation or waiting for a CalPERS disability retirement determination will continue to receive health benefits but are still responsible for any out of pocket expenses.

Employees on SDI or Workers' Compensation should contact the Human Resources department to determine if a medical leave is necessary to insure their job rights.

14.07 Absence Without Leave

No employee shall be absent without leave except in case of sickness or emergency which prevents the employee from providing notification. Prior to the time required to report for duty, an employee shall notify his or her supervisor or department head of his or her inability to report.

14.08 Family and Medical Leave/California Family Rights Act

This provision shall be in compliance with all applicable state and federal laws and is governed by the City of Hayward, Administrative Rule 2.45.

14.09 Pregnancy Disability Leave

This provision shall be in compliance with all applicable state and federal laws and is governed by the City of Hayward, Administrative Rule 2.45.

14.10 Parental Leave

Employees shall be granted forty (40) hours leave with pay at their current straight time hourly rate upon the birth of a child, or when a child begins residence with an employee who has commenced adoption proceedings with full intent to adopt. Part-time employees hired into positions budgeted for twenty (20) or more hours per week and who consistently work twenty (20) or more hours per week shall be granted proportionate leave based upon their work schedules. Leave must be taken within one year from the date of birth or placement of the child.

Parental leave taken will count toward any applicable state or federal leave entitlement, such as Family Medical Leave Act/California Family Rights Act.

14.11 Catastrophic Injury/Illness Time Bank

Upon approval of the City Manager or his or her designated representative, a time bank may be established for the benefit of an employee who is incapacitated by a catastrophic illness or injury. The intent of this program is to assist catastrophically ill or injured employees who have exhausted all available paid accruals to maintain paid status as long as possible. Catastrophic injury or illness is defined as a medically certified, severe and disabling, non-industrial condition resulting in an employee's inability to work. Employees may submit requests to donate earned vacation and/or compensatory time on a voluntary basis subject to the conditions listed below.

- a. Employees initially eligible to receive leave contributions must have exhausted all other leave balances available including earned vacation, earned sick leave and accrued compensatory time.
- b. State and federal income tax on the value of leave donated shall be deducted from the recipient employee's pay at the time of crediting.
- c. Leave hours that are credited as sick leave to the recipient shall not be reversible.
- d. Hours requested to be donated shall be kept in a pledge status until used, shall be credited on a monthly basis as sick leave, and shall be subject to the provisions of this Memorandum of Understanding regarding the use and payment of same. Donations shall be credited in the following order:
 1. From donors whose vacation accruals are at or within 16 hours of the maximum allowed for their classification: then
 2. From other donors in random order to be determined on a draw basis by the Human Resources Department.
 3. Donation requests shall be credited in the order specified above in subsequent month(s).
- e. Donated leave time shall be changed to its cash value and then credited to the recipient in equivalent hours at the recipient's straight time hourly rate of pay. Recipient employees shall not be credited with one more than 100% of their normally scheduled hours for any given pay period.
- f. Donating employees may not reduce their balance of earned vacation below eighty (80) hours by reason of such donations.
- g. Recipient employees shall be credited with up to 40 hours of donated time upon return to work, provided that sufficient hours remain in pledge status during the pay period immediately preceding the return to work date. All undonated, pledged hours exceeding 40 shall be returned to the respective donor(s).
- h. In the event of the death of the recipient, his/her designated beneficiary shall receive payment for hours credited as donated. Hours remaining in pledge status are not subject to payout to the beneficiary, and shall be returned to the donor(s).
- i. Any leave used for purposes that qualify under a state or federal leave law, such as Family Medical Leave Act/California Family Rights or Pregnancy Disability Leave will count toward any state or federal leave entitlement. If an employee is

unable to return to work and has exhausted all of his/her leave entitlements, the employee may be retired for disability or separated.

15.00 GRIEVANCES

15.01 Grievance Defined

A grievance is any dispute which involves the interpretation or application of any provision of this Memorandum of Understanding, scope of representation or appeals to disciplinary actions.

All complaints involving or concerning the payment of compensation shall be initially filed in writing with the Human Resources Director. Only complaints which allege that employees are not being compensated in accordance with the provisions of this Memorandum of Understanding shall be considered as grievances. Any other matters of compensation are to be resolved in the meeting and conferring process and if not detailed in the Memorandum of Understanding which results from such meeting and conferring process shall be deemed withdrawn until the meeting and conferring process is next opened for such discussion. No adjustment shall be retroactive for more than thirty (30) days from the date upon which the complaint was filed. Retroactive adjustments of any undisputed payroll errors shall not be subject to the thirty (30) day limit.

15.02 Investigation and Reporting

Grievances which may arise and which cannot be adjusted on the job shall be reported to the union by a union representative appointed by the Union pursuant to section 6.02 of this Memorandum of Understanding; provided, however, in no event shall the representative or the union order any changes, and no changes shall be made except with the consent of the City.

If the aggrieved employee desires the assistance of a union representative as provided in Steps 1, 2, 3, or 4 of the grievance procedure, the City shall afford said representative reasonable time off during work hours without loss of compensation or other benefits to investigate and take up said grievance. The grievant and/or the area representative shall obtain the specific approval of the division head or, in the latter's absence, another authorized City management official before leaving their duties or work situation or assignment for the purpose of investigating and/or processing a grievance.

15.03 Grievance Procedure

A. Grievance Process

Grievances shall be processed in the following manner:

Step 1 - The grievance shall be presented either by the employee or by an authorized union representative to the designated supervisor of the employee within seven (7) working days after the cause of such grievance occurs.

Step 2 - The designated supervisor shall have seven (7) working days from date of receipt of grievance in which to respond. If the grievance is not satisfactorily adjusted within this period, the grievance may be presented in writing either by

the employee or by an authorized union representative to the department head or to such representative as he/she may designate.

Step 3 - The department head or a designated representative shall have seven (7) working days from date of receipt of grievance in which to respond. If the grievance is not satisfactorily adjusted within this period, the grievance may be presented in writing either by the employee or by an authorized union representative to the City Manager or to such representative as he/she may designate.

Step 4 - If the parties are unable, within seven (7) working days, to reach a mutually satisfactory accord on any grievance which arises and is presented during the term of this Memorandum of Understanding, such grievance shall be submitted to an Adjustment Board comprised of two (2) Union representatives, and two (2) representatives of the City, no more than one (1) of whom shall be either an employee of the City or a member of the staff of any organization employed to represent the City in the meeting and conferring process. No decision of the Adjustment Board shall be final and binding without receiving the affirmative votes of at least three (3) members of the Board. The adjustment board may by mutual agreement seek the services of either a Federal or State mediator to assist the parties in reaching a settlement. The mediator shall be advisory only and shall have no authority to bind the parties.

Step 5 - If an Adjustment Board is unable to arrive at a majority decision, either the Union or the City may require that the grievance be referred to an impartial arbitrator who shall be designated by mutual agreement between the Union and the City Manager. The fees and expenses of the arbitrator and of a court reporter shall be shared equally by the Union and the City. Each party, however, shall bear the cost of its own presentation including preparation and post hearing briefs, if any. Decisions of Adjustment Boards and arbitrators on matters properly before them shall be final and binding on the parties hereto. It is the intent of this provision that Adjustment Board and Arbitrator awards be implemented.

- a. No Adjustment Board and no arbitrator shall entertain, hear, decide or make recommendations on any dispute unless such dispute involves a position in a unit represented by the Union and unless such dispute falls within the definition of a grievance as set forth in section 15.01.
- b. Proposals to add to or change this Memorandum of Understanding or written agreement or addenda supplementary hereto shall not be arbitrable and no proposal to modify, amend or terminate this Memorandum of Understanding, nor any matter or subject arising out of or in connection with such proposal, may be referred to arbitration under this Section. Neither any Adjustment Board nor any arbitrator shall have the power to amend or modify this Memorandum of Understanding or written agreements or addenda supplementary hereto or to establish any new terms or conditions of employment.

B. Grievance Process for Letters of Reprimand

1. A letter of reprimand (or warning letter) shall be defined as any written communication to an employee which advises the employee that he/she

has engaged in certain acts of commission or omission which, if continued, may subject him/her to disciplinary action.

2. A letter of reprimand as defined above shall be subject to the grievance procedures in the current MOU up to and including the step at which the grievance is heard by the City Manager or designee. The decision of the City Manager or designee shall be final except as noted below.

3. If the grievance is not resolved at the above step, and the City subsequently relies on the contents of said letter of reprimand to justify to a Board of Adjustment or Arbitrator, the imposition of disciplinary action against the same employee, the employee shall then be entitled to dispute the letter of reprimand during the course of appealing the disciplinary action itself.

15.04 Disciplinary Action

An employee may request the presence of a union representative during an interview with his/her supervisor which the employee reasonably believes may result in disciplinary action, and where there is no assurance from the supervisor that disciplinary action is not intended. If at any time during an interview without a union representative in attendance, it becomes apparent that disciplinary action could occur, either party may adjourn the interview until a union representative can be present. The provisions of this paragraph shall not apply to interviews conducted for the purpose of reviewing an employee's performance evaluation.

In those instances where an employee is afforded the opportunity for a pre-disciplinary review, he/she shall be given an opportunity to present their position in writing or in a hearing concerning the matter. Specific charges and all material upon which the recommendation for disciplinary action is based shall be sent to the employee and to the Union. The employee shall be afforded five (5) work days after receipt of this material to request a hearing with the City Manager or his/her designee. In the event a hearing is requested by the employee it shall be scheduled no later than 45 calendar days following receipt of request. The results shall be made known to the affected employee no later than 45 calendar days following completion of the hearing. In the event the City fails to observe any one of the above referenced time limits, the proposed disciplinary action shall be deemed to be null and void. An extension or waiver of the time limits herein provided may be agreed to by the parties.

When the City Manager has acted as the Skelly officer or has directly imposed the disciplinary action, employees having the right to appeal a disciplinary action shall commence such appeal at step 4 of the Grievance Procedure detailed in Section 15.03; otherwise, appeals shall be filed at the management level one step higher than the manager invoking the discipline.

15.05 Personnel and Affirmative Action Commission

Nothing contained in sections 15.01 through 15.04 shall abridge any rights to which an employee may be entitled under the City Charter. Any employee may, as an alternative to steps 4 and 5 of the Grievance Procedure recited in Section 15.03, request that his/her grievance, including appeals to disciplinary action, be heard by the Personnel and Affirmative Action Commission.

16.00 MISCELLANEOUS PROVISIONS

16.01 Safety Shoes

Upon recommendation of the department head and approval of the City Manager or a designated representative, an employee other than a temporary or provisional employee, may be reimbursed for the purchase of safety shoes in an amount not to exceed One Hundred Seventy Five Dollars (\$175.00) per year.

16.02 Uniforms

Employees other than temporary employees, shall be entitled to uniforms at City expense to be worn during the performance of their work. Employees receiving the City-furnished uniforms shall be required to wear same in the performance of his or her work. Failure to do so will forfeit the employees' entitlement to City-furnished uniforms. Matters of color, style, manufacture, supplier, and cost shall be decided solely by the City. Each employee shall receive an initial uniform issue of three (3) long-sleeved shirts; three (3) short-sleeved shirts; three (3) pair of pants, and one (1) jacket.

Between January 1st and April 1st each year, on a date to be selected by the City, employees shall be entitled to receive a maximum of six (6) articles of uniform for replacement purposes if needed, exclusive of jackets.

Jackets shall be replaced once every two (2) years if needed. Employees working in the Garage and Shops Division may elect to receive City-furnished uniforms as provided above or coveralls which will be laundered at City expense. This option may be exercised once each year during the first week of January.

The City, in its sole discretion, may issue other types of wearing apparel, in lieu of or in addition to the basic uniform allotment described above, to those employees whose work assignments warrant same.

16.03 Examination Announcement for Job Openings within the Representation Unit

Examination announcements for job openings within the representation unit shall be posted internally for at least a two week period prior to the filing deadline. A copy of each examination shall be provided to the Union and the Stewards appointed by the Union pursuant to Section 6.02 of this Memorandum of Understanding.

All position vacancies within the representation unit shall be posted internally at least two (2) weeks prior to their being filled. Such notices will state the pertinent requirements and conditions for the vacant position. Employees desiring transfer to a posted position who respond within the posting period and who meet the

requirements for transfer shall be given consideration in the form of application review, interview or both.

The City retains the right to determine whether promotional positions within this bargaining unit shall be filled by closed promotional or open competitive examination. Postings for Closed Promotional or Open Competitive Exams will be posted simultaneously with internal Transfer Notices. Employees eligible for a transfer will be given consideration without going through the examination process.

16.04 Participation in Promotional Examinations

Employees who participate in promotional examinations which are scheduled by the City during the employee's scheduled working hours shall do so without loss of compensation.

16.05 Notification of Address

All employees, including those on leave of absence, shall keep the Human Resources Director informed as to their current home address at all times.

16.06 Personnel Files

Personnel files are maintained by the Human Resources Director for each employee. These personnel files are considered confidential and shall be made available only to the employee or to a concerned department head. Union representatives and staff representatives shall be entitled to review the contents of an employee's personnel file and receive copies of requested materials, provided written permission to do so is given by the employee.

Employees shall be notified of any adverse material placed in the personnel file, and may file with the Human Resources Director for inclusion in their file a written reply to any such adverse material contained in their official personnel file.

After a period of three (3) years, employees may file a request for removal of disciplinary materials provided there has been no repetition of the behavior giving rise to the disciplinary action, no additional reprimand or disciplinary actions for any other cause have been filed during the intervening three (3) years, and there is no legal impediment to complying with the request. Such requests shall be reviewed by the Human Resources Director who shall grant or deny the request based upon considerations of the severity of the original infraction, advice of the department head and subsequent performance by the employee.

16.07 Educational Reimbursement

The City's policy of reimbursing employees who voluntarily engage in educational and/or professional development activities outside of working hours beneficial to both the City and themselves, shall be continued without change for the duration of this Memorandum of Understanding. This policy contemplates the future growth and development of the City and its employees through encouragement and financial aid to those individuals who seek to increase their knowledge, improve their skills, and obtain non-required licenses.

A. Eligibility

1. Any full-time, permanent employee with at least three (3) months service may apply. Employees in a temporary or provisional status are not eligible; part-time employees are eligible for reimbursement on a pro-rata basis.
2. Any employee who qualifies for GI benefits for proposed course of study will be eligible only for reimbursement of that portion of tuition that is not covered by GI benefits.

B. Required Qualifications

1. Application may be made only for attendance at a school of recognized educational standing, including correspondence schools.
2. Selected subjects and/or professional licenses not required for the position must relate directly to the employee's present job, or to reasonably predictable future job with the City. These include:
 - a. Technical or non-technical course of immediate benefit to the employee and City in the performance of present assignments or in qualifying for promotion within the present field of specialization.
 - b. Technical or non-technical courses outside employee's current field of specialization, but related to either fields of specialization within the department or to a logical program of personal development and progression in a related field.

C. Procedures

1. Prior to enrolling in a class or correspondence course approval of the subject matter or license must be obtained by the employee on the form entitled Application for Educational Reimbursement. Approval is required from the immediate supervisor, department head, Human Resources Department and the City Manager.
2. In order to receive financial benefits an employee will be expected to complete an approved subject with a satisfactory degree of proficiency. An employee will be considered as having completed a subject when employee concludes a term for which the educational institution quotes tuition fee and rates proficiency.
3. While it is normally anticipated that reimbursement for 100% of the tuition or fee, including any enrollment or laboratory fees, will be provided by the City, a lesser percent may be stipulated based upon degree of appropriateness of the subject matter. Reimbursement shall be made at the rate of fees, books and expenses charged at California State University at Hayward for comparable institutions and Chabot College for Community College level courses.

If employees are required to engage in study of subjects that are required for the position, and are so directed by the City, the entire tuition, and other specifically approved expenses, will be considered training and development rather than covered under this educational reimbursement program.

The City shall also provide employees Five Thousand Dollars (\$5,000) each year for reimbursement of cost related to educational activities and/or professional development described above as a supplement to each department's available funds for reimbursement. A maximum of One Thousand Dollars (\$1000.00) of this supplement will be available to employees applying for reimbursement.

16.08 Safety and Safety Committee

The City agrees to provide a safe place to work and appropriate safety training consistent with the requirement to conduct efficient operations.

The City agrees to continue to make available inoculations for Hepatitis B and Tetanus, as medically indicated, to employees in sewer maintenance and wastewater treatment classifications. Training on infectious disease control concerns shall continue to be made available to employees in the sewer maintenance, water, landscaping, and wastewater treatment divisions.

The City will continue employee involvement in meetings of safety committees presently in existence, and any new or revised committees which may be formed during the term of this Memorandum of Understanding.

16.09 Americans With Disabilities Act (ADA)

The City and the Union recognize that the City has an obligation under law to meet with individual employees who allege a need for reasonable accommodation in the workplace because of a disability.

If by reason of the aforesaid requirement, the City contemplates actions to provide reasonable accommodation to an individual employee in compliance with the ADA which are in potential conflict with any provision of this Memorandum of Understanding, the Union will be advised of any such proposed accommodation and be afforded an opportunity to discuss same prior to implementation by the City.

16.10 Advance Notice

Except in cases of emergency, reasonable advance written notice shall be given to the Union if employees are affected by any ordinance, rule, resolution or regulation directly relating to matters within the scope of representation which is to be considered by the City Council, by any board or commission of the City, or by any department. The Union shall be given the opportunity to meet with such body prior to any action taken thereon. In cases of emergency when the City determines that such a proposal must be acted on immediately without prior notice or meeting with the Union, the City shall provide such notice and opportunity to meet at the earliest practical time following the action taken thereon.

16.11 Use of City Facilities

The Union shall be allowed use of space on available departmental bulletin boards for communications having to do with official organization business, such as times and places of meetings, provided such use does not interfere with the needs of the department. This privilege may be revoked in the event of abuse after the City Manager consults with representatives of the Union. Solicitation for membership or other internal employee organization business shall be conducted during the non-duty hours of all employees concerned.

City buildings and other facilities may be made available for use by employees or the Union or their representatives in accordance with such administrative procedures as may be established by the City Manager or department heads concerned.

16.12 Introduction of New Equipment

In the event of the introduction of new machinery or new processes the City will provide suitable training for those employees whose job assignments require operation or maintenance of the new machinery or processes.

16.13 Examinations

A regular employee competing in an open examination who successfully passes all phases of the examination shall receive five (5) additional points to be added to his/her final score.

16.14 Examinations - Oral Boards

An authorized representative of the Employee Organization who is not an employee of the City may attend, as an observer, oral boards convened for the purpose of promotional examinations; provided the candidate requests in writing the presence of said observer.

16.15 Seniority List

A. Seniority List Posting

The City will post and maintain on official bulletin boards a current seniority list by classification.

B. Utility Worker Seniority List

A seniority list for the classification of Utility Worker shall be maintained by program activity. The two program areas which utilize the Utility Worker classification are the Water Distribution Program and the Sewer Maintenance Program. Two independent seniority lists shall be maintained and called the Utility Worker-Water Distribution List and Utility Worker/Sewer Maintenance List. In the event of layoffs, layoffs shall be in accordance with the Layoff Section as set forth in this MOU.

16.16 Training

a) On the Job Training

Interested employees may receive, on an informal basis, on-the-job training for jobs in a higher classification. The department head or a designated representative will designate situations for which such training is to be accomplished and such training shall be conducted so as not to interfere with operations.

b) Training Opportunities

Certain job assignments within a given classification may provide experience and training opportunities which serve to enhance the chances for promotion of employees performing such assignments. Prior to filling such job assignments, employees in the division where the assignment occurs shall be informed of the

opening and be given an opportunity to request consideration for said assignment. Selection shall be limited, for the most part, to employees serving at or near entry level positions in the division and shall be based upon such factors as possession of minimum qualifications for the job assignment, previous experience and training relevant to the position, quality of work performance in present and previous assignments with the City, attendance, and demonstrated interest and aptitude for the position.

In addition, consideration shall be given to recommendations for selection made by representatives of the union which are consistent with the foregoing criteria. Final selection of employees for such jobs shall be at the discretion of the department head or his/ her designated representative, and shall not be subject to the grievance procedure in the Memorandum of Understanding. Where practicable and consistent with the City's requirement for the efficient and expeditious completion of the work to be performed, and where the assignment is of sufficient duration, the division head shall attempt to rotate additional qualified employees through long term assignments.

c) Training Recommendations

The City and Union shall continue, during the course of future Union/Management meetings, review and discuss training programs and training needs, and recommend proposed training activity to the City Manager.

d) Training for Water Pollution Control Facility Operators

Training will be made available to WPCF Operators to facilitate promotional opportunities to Lead Operator positions. Parties will meet periodically to discuss various aspects of the training program.

16.17 Personal Use of City Facilities and Equipment

Equipment Management employees are authorized personal use of the garage facility per this MOU section 16.17. Only authorized City personnel are permitted in garage facility after hours; no guests.

Use of the garage facility tools and standard equipment, i.e., lifts, lathes, welders, tire machines, diagnostic tools, etc. is authorized for after business hours use, for small personal projects. Employees using the facility must comply with all the safety practices for normal operation of tools and equipment, as well as wear personal protective equipment necessary for a specific task.

It is recommended that employees are not in the building alone for safety reasons. At a minimum, a family member or friend should be informed that the employee will be working in the shop.

Employees must bring all their own materials and parts. City items cannot be consumed for personal use.

All items and fluids must be disposed of in proper containers.

To eliminate any clutter, projects will not be left in the shop during normal business hours. When not being worked on, projects must be taken off the premises or kept in the employee's personal vehicle.

If a tool or piece of equipment is broken or damaged as a result of personal use, it must be repaired or replaced immediately at the employee's expense, to prevent any interruptions for City use.

When an employee has finished working, the area must be cleaned and tools and equipment returned to their normal location. Lights and equipment are to be turned off, and upon leaving, employees must ensure that all windows are closed and the shop is locked.

Non-compliance with this section of the Memorandum of Understanding may cause this privilege to be revoked.

16.18 Pre-Retirement Counseling

The Human Resources Department will continue to provide, upon request, pre-retirement counseling for employees.

16.19 Restrictions on Outside Work

Gainful employment outside an employee's regular City position shall be subject to prior written approval by the City Manager in as much as the outside employment may be incompatible with his/her employment or may be of such nature as to interfere with the satisfactory discharge of his/her regular City duties.

16.20 Employee Development

In the interest of providing bargaining unit employees with opportunities to enhance their ability to promote, the parties agree to the following:

Application Process

For purposes of Transfer Requests, employees are encouraged to submit a resume to the hiring department, outlining their qualifications for the vacancy. Human Resources Department staff will provide consultation on resume preparation to employees as requested.

Training

- 1) The City agrees to offer Interviewing Skills training workshops up to two (2) times per fiscal year. Interested employees shall be released from their duties to attend such workshops upon making such a request to their supervisor, and contingent on available coverage.
- 2) The City's computer resources room shall be made available during regular workdays at 7:00 a.m., during the lunch period, and until 6:00 p.m.

Skills Enhancement Opportunities

Up to three (3) SEIU bargaining unit representatives (1 Clerical, 1 Confidential, 1 Maintenance), shall meet with the Human Resources Director and/or his/her designee for the purpose of identifying and promoting skill enhancement and developmental training needs for bargaining unit members, and to ensure that Transfer and Promotion processes are fairly administered.

Such skill enhancement and developmental training that may be offered may include but is not necessarily limited to computer; written and oral presentation; communication; interviewing; in addition to other employment-related training offered by the City. Career counseling assistance will continue to be available from the Human Resources Department.

16.21 Volunteer Programs

The Union recognizes the value of active volunteer participation in the City of Hayward; however, volunteers shall not be used to perform bargaining unit work. The parties shall meet as necessary to discuss the use of volunteers in the City.

16.22 Community Benefit

In lieu of the Five Dollars (\$5) per employee per year that the City previously contributed to the Central Labor Council Blood Bank of Alameda County in order to enroll members and their dependents in said Blood Bank, the City will contribute Five Dollars (\$5) per year per employee on an equal basis, to the following charitable organizations:

Hispanic Community Affairs Council Emergency Shelter Program

Friends of the Hayward Public Library Friends of the Hayward Animal Shelter

16.23 Implementation of Department of Transportation Alcohol and Drug Testing Program

- A. The City will provide each supervisor and shop steward with a detailed checklist on steps to take when ordering an alcohol or drug test for reasonable cause, post-accident test, and random test.
- B. Union stewards will attend supervisory training required in Section G. of Administrative Rule 1.91 for Public Works and Facilities Maintenance supervisors.
- C. A Union committee will be afforded site visits at any proposed collection site to observe the facilities prior to its use.
- D. A Union committee will be afforded a site visit at any proposed testing laboratory prior to its use, provided that it is local.
- E. The Union will be allowed input into the selection of the Medical Review Officer assigned to Local 1021 cases.
- F. The Union will be permitted to annually review records kept pursuant to this Administrative Rule and for grievance processing.
- G. Eight hours additional training during the first twelve months will be provided to Public Works supervisors on addressing alcohol and drug issues in the work place. Union stewards will be permitted to attend the training.
- H. A monthly meeting will be held with the Union stewards, Public Works management, and Human Resources Department to review the process and correct any problem areas.
- I. The Union agrees that a clinician from Occupational Health Services will serve as the designated Substance Abuse Professional during the first six months. A Union committee will be afforded the opportunity to meet with the designated SAP from OES. The Union and City will mutually select a SAP.

J. St. Rose Industrial Medical Clinic will be the collection site and PharmChem Laboratories will be the testing facility for the first six months. The Union will have the right to provide input into the decision to continue St. Rose and/or PharmChem after six months.

K. Any employee taking a prescription medication that may impair the ability to safely perform assigned duties (including medications marked with a warning such as "may cause drowsiness", "use caution when operating a motor vehicle or machinery", etc.) shall immediately notify their supervisor that they are taking such a medication, but are not required to reveal the specific medication or purpose. The employee shall contact the Medical Review Officer directly to receive clearance to perform usual duties with medication.

L. An employee who is not on standby duty and is called in to work in an emergency shall notify the supervisor if the employee believes that he or **she** is not in a state of sobriety for the purpose of driving a commercial vehicle. If sufficiently fit, the employee may be called in for emergency duty and not assigned to drive a commercial vehicle. There will be no penalty to the employee for providing such notice.

M. The terms of this Agreement shall be subject to the grievance procedure. Either the Union or the City may re-open any portion of this agreement after one year.

16.24 Court Referrals/Welfare Program

If the City participates in such programs, the City will meet and confer with the Union first to discuss the impact on the membership. Under no circumstance will program participants be used to replace City bargaining unit employees.

16.25 Temporary Positions/Employment Agencies

Persons retained from employment agencies to fill vacant positions normally occupied by members of this bargaining unit will be subject to the same six (6) month limitation as temporary employees hired by the City to fill such positions. If the Union has reason to believe that the six (6) month limitation on temporary employment is not being observed, the City will furnish to the Union upon request a list of persons serving in temporary positions and the dates upon which they commenced employment.

16.26 Light Duty Assignments

In the event the City desires to modify Administrative Rule 7.15, Light Duty Work Assignments, the City will discuss changes with the Union.

16.27 Class A/B Driver's Licenses

The City agrees to continue the practice of paying for medical examinations required to secure a job-required Class A or B driver's license, and will continue to pay any fees above those fees imposed for a regular (Class C) driver's license.

17.00 SEPARABILITY OF PROVISIONS

17.01 Separability of Provisions

Should any section, clause or provision of this Memorandum of Understanding be declared illegal by final judgment of a court of competent jurisdiction, such invalidation of such section, clause or provision shall not invalidate the remaining portions hereof, and such remaining portions shall remain in full force and effect for the duration of this Memorandum of Understanding.

Upon such invalidation the parties agree immediately to meet and negotiate substitute provisions for such parts or provisions rendered or declared illegal or an unfair labor practice. In the event the parties are unable to agree upon substitute provisions the dispute may at the request of either the City or the Union be referred to arbitration for settlement pursuant to the provisions of Section 15.03 hereof; but the power of the arbitrator shall be restricted and limited to determining a substitute provision to provide for the same specific objective and purpose of the provision rendered or declared illegal.

18.00 DURATION

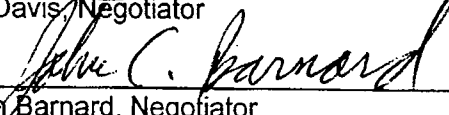
This Memorandum of Understanding shall be effective May 1, 2007 except for those provisions of the Memorandum of Understanding which have been assigned other effective dates as hereinabove set forth, and shall remain in full force and effect to and including the 30th day of April, 2011 and shall continue thereafter from year to year unless at least sixty (60) days prior to the first day of May, 2011, or the first day of May of any subsequent year, either party shall file written notice with the other of its desire to amend, modify, or terminate this agreement.

Made and entered into this 13th day of February, 2008.


Service Employees International, Local 1021:

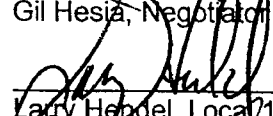

Daryl Lockhart, President

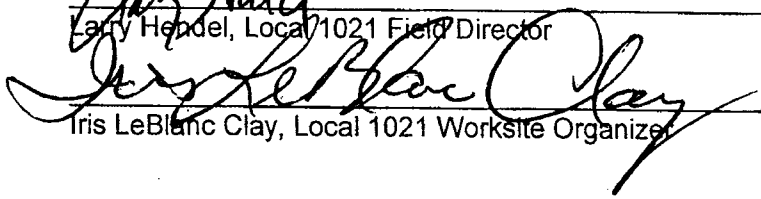

Bill Davis, Negotiator


John Barnard, Negotiator


Steve Mitchell, Negotiator

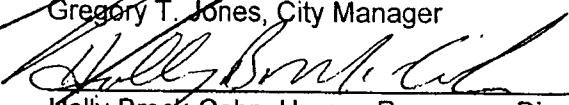

Gil Hesla, Negotiator


Larry Hendel, Local 1021 Field Director


Iris LeBlanc Clay, Local 1021 Worksite Organizer

City of Hayward:


Gregory T. Jones, City Manager


Holly Brock-Cohn, Human Resources Director

APPENDIX A – SALARY INCREASES

JOB CODE	DESCRIPTION	STEP	05/01/07	05/01/08	05/01/09	05/01/10
301	AIRPORT ATTENDANT	1	\$17.47	\$18.53	\$19.85	\$20.64
		2	\$18.24	\$19.35	\$20.72	\$21.55
		3	\$18.91	\$20.06	\$21.48	\$22.34
		4	\$19.73	\$20.93	\$22.42	\$23.32
		5	\$20.72	\$21.98	\$23.54	\$24.48
302	AIRPORT MAINTENANCE LEADER	1	\$25.37	\$26.40	\$29.18	\$30.35
		2	\$26.30	\$27.37	\$30.26	\$31.47
		3	\$27.35	\$28.46	\$31.46	\$32.72
		4	\$28.47	\$29.62	\$32.75	\$34.06
		5	\$29.61	\$30.81	\$34.07	\$35.43
303	AIRPORT MAINTENANCE WORKER	1	\$23.07	\$24.00	\$26.51	\$27.57
		2	\$23.91	\$24.88	\$27.48	\$28.58
		3	\$24.86	\$25.87	\$28.56	\$29.70
		4	\$25.89	\$26.94	\$29.75	\$30.94
		5	\$26.95	\$28.04	\$30.97	\$32.21
304	AUDITORIUM LEADWORKER	1	\$22.57	\$23.75	\$25.23	\$26.24
		2	\$23.41	\$24.63	\$26.17	\$27.22
		3	\$24.35	\$25.62	\$27.21	\$28.30
		4	\$25.33	\$26.65	\$28.31	\$29.44
		5	\$26.36	\$27.73	\$29.46	\$30.64
376	CROSS CONNECTION CONTROL SPECIALIST	1	\$25.19	\$26.59	\$28.34	\$29.47
		2	\$26.06	\$27.51	\$29.32	\$30.49
		3	\$27.09	\$28.59	\$30.47	\$31.69
		4	\$28.20	\$29.77	\$31.73	\$33.00
		5	\$29.32	\$30.95	\$32.99	\$34.31
310	EQUIPMENT MECHANIC I	1	\$22.73	\$24.11	\$25.82	\$26.85
		2	\$23.88	\$25.33	\$27.12	\$28.20
		3	\$25.09	\$26.61	\$28.49	\$29.63
		4	\$26.31	\$27.91	\$29.90	\$31.10
		5	\$27.61	\$29.29	\$31.37	\$32.62
312	EQUIPMENT MECHANIC II	1	\$25.57	\$26.80	\$28.36	\$29.49
		2	\$26.77	\$28.05	\$29.68	\$30.87
		3	\$28.11	\$29.46	\$31.18	\$32.43
		4	\$29.60	\$31.02	\$32.82	\$34.13
		5	\$31.06	\$32.55	\$34.44	\$35.82
361	EQUIPMENT OPERATOR	1	\$24.69	\$25.84	\$27.30	\$28.39
		2	\$25.59	\$26.78	\$28.30	\$29.43
		3	\$26.61	\$27.85	\$29.42	\$30.60
		4	\$27.69	\$28.98	\$30.62	\$31.84

May 1, 2007 through April 30, 2011

		5	\$28.82	\$30.15	\$31.86	\$33.13
307	EQUIPMENT PARTS STOREKEEPER	1	\$21.45	\$22.50	\$23.83	\$24.78
		2	\$22.57	\$23.68	\$25.09	\$26.09
		3	\$23.67	\$24.83	\$26.30	\$27.35
		4	\$24.86	\$26.08	\$27.62	\$28.72
		5	\$26.10	\$27.38	\$29.01	\$30.17
308	EQUIPMENT SERVICE ATTENDANT	1	\$20.51	\$21.13	\$21.98	\$22.86
		2	\$21.33	\$21.97	\$22.85	\$23.76
		3	\$22.21	\$22.88	\$23.80	\$24.75
		4	\$22.96	\$23.65	\$24.60	\$25.58
		5	\$23.85	\$24.57	\$25.55	\$26.57
326	FACILITIES CARPENTER I	1	\$24.75	\$26.12	\$27.83	\$28.94
		2	\$25.76	\$27.19	\$28.98	\$30.14
		3	\$26.82	\$28.31	\$30.17	\$31.38
		4	\$27.90	\$29.45	\$31.39	\$32.65
		5	\$29.07	\$30.68	\$32.70	\$34.01
327	FACILITIES CARPENTER II	1	\$27.39	\$28.81	\$30.60	\$31.82
		2	\$28.47	\$29.95	\$31.81	\$33.08
		3	\$29.66	\$31.20	\$33.14	\$34.47
		4	\$30.88	\$32.49	\$34.51	\$35.89
		5	\$32.17	\$33.85	\$35.95	\$37.39
328	ELECTRICIAN I	1	\$28.38	\$31.01	\$34.22	\$35.59
		2	\$29.54	\$32.29	\$35.63	\$37.06
		3	\$30.73	\$33.58	\$37.05	\$38.53
		4	\$32.02	\$34.99	\$38.61	\$40.15
		5	\$33.30	\$36.39	\$40.16	\$41.77
329	ELECTRICIAN II	1	\$31.43	\$34.22	\$37.63	\$39.14
		2	\$32.68	\$35.59	\$39.13	\$40.70
		3	\$33.97	\$36.99	\$40.67	\$42.30
		4	\$35.41	\$38.56	\$42.39	\$44.09
		5	\$36.87	\$40.15	\$44.15	\$45.92
300	FACILITIES LEADWORKER	1	\$33.58	\$37.21	\$41.63	\$43.30
		2	\$34.92	\$38.69	\$43.29	\$45.02
		3	\$36.28	\$40.20	\$44.98	\$46.78
		4	\$37.79	\$41.87	\$46.84	\$48.71
		5	\$39.40	\$43.65	\$48.84	\$50.79
324	FACILITIES PAINTER I	1	\$24.14	\$25.85	\$27.95	\$29.07
		2	\$25.11	\$26.89	\$29.08	\$30.24
		3	\$26.13	\$27.98	\$30.26	\$31.47
		4	\$27.21	\$29.15	\$31.53	\$32.79
		5	\$28.30	\$30.31	\$32.77	\$34.08

330	FACILITIES PAINTER II	1	\$26.71	\$28.51	\$30.72	\$31.95
		2	\$27.79	\$29.66	\$31.97	\$33.25
		3	\$28.88	\$30.83	\$33.22	\$34.55
		4	\$30.09	\$32.11	\$34.60	\$35.98
		5	\$31.33	\$33.44	\$36.04	\$37.48
318	FACILITIES SERVICEWORKER I	1	\$19.23	\$19.81	\$20.60	\$21.42
		2	\$19.93	\$20.53	\$21.35	\$22.20
		3	\$20.72	\$21.34	\$22.19	\$23.08
		4	\$21.57	\$22.22	\$23.11	\$24.03
		5	\$22.33	\$23.00	\$23.92	\$24.88
320	FACILITIES SERVICEWORKER II	1	\$20.31	\$21.33	\$22.61	\$23.51
		2	\$21.12	\$22.17	\$23.51	\$24.45
		3	\$21.99	\$23.09	\$24.47	\$25.45
		4	\$22.76	\$23.89	\$25.33	\$26.34
		5	\$23.67	\$24.85	\$26.34	\$27.39
338	GROUNDSKEEPER I	1	\$22.21	\$23.37	\$24.82	\$25.81
		2	\$23.10	\$24.30	\$25.81	\$26.84
		3	\$24.06	\$25.31	\$26.89	\$27.97
		4	\$24.88	\$26.18	\$27.82	\$28.93
		5	\$25.87	\$27.22	\$28.92	\$30.08
342	GROUNDSKEEPER II	1	\$24.45	\$25.72	\$27.33	\$28.42
		2	\$25.41	\$26.74	\$28.41	\$29.55
		3	\$26.46	\$27.84	\$29.58	\$30.76
		4	\$27.39	\$28.82	\$30.62	\$31.84
		5	\$28.45	\$29.93	\$31.80	\$33.07
343	GROUNDSKEEPER III	1	\$29.05	\$29.94	\$31.16	\$32.41
		2	\$30.21	\$31.14	\$32.42	\$33.72
		3	\$31.43	\$32.40	\$33.73	\$35.08
		4	\$32.76	\$33.77	\$35.15	\$36.56
		5	\$34.05	\$35.10	\$36.53	\$37.99
336	LABORER	1	\$20.40	\$21.01	\$21.85	\$22.72
		2	\$21.15	\$21.78	\$22.65	\$23.56
		3	\$21.99	\$22.65	\$23.56	\$24.50
		4	\$22.89	\$23.58	\$24.52	\$25.50
		5	\$23.71	\$24.42	\$25.40	\$26.42
360	MAINTENANCE LEADER	1	\$24.61	\$26.07	\$27.88	\$29.00
		2	\$25.57	\$27.09	\$28.97	\$30.13
		3	\$26.63	\$28.21	\$30.17	\$31.38
		4	\$27.57	\$29.20	\$31.23	\$32.48
		5	\$28.64	\$30.33	\$32.43	\$33.73
357	MAINTENANCE WORKER	1	\$22.36	\$23.68	\$25.32	\$26.33
		2	\$23.25	\$24.63	\$26.34	\$27.39

		3	\$24.22	\$25.65	\$27.43	\$28.53
		4	\$25.05	\$26.53	\$28.37	\$29.50
		5	\$26.05	\$27.59	\$29.50	\$30.68
347	OPERATOR-IN-TRAINING	1	\$22.60	\$24.91	\$27.73	\$28.84
		2	\$23.50	\$25.91	\$28.84	\$29.99
		3	\$24.49	\$26.99	\$30.04	\$31.24
		4	\$25.31	\$27.90	\$31.06	\$32.30
		5	\$26.30	\$28.99	\$32.27	\$33.56
367	SR MAINTENANCE LEADER	1	\$29.24	\$30.33	\$31.76	\$33.03
		2	\$30.41	\$31.54	\$33.03	\$34.35
		3	\$31.63	\$32.81	\$34.36	\$35.73
		4	\$32.97	\$34.20	\$35.82	\$37.25
		5	\$34.26	\$35.54	\$37.22	\$38.71
378	SR UTILITY CUSTOMER SERVICE LEADER	1	\$29.41	\$30.69	\$32.34	\$33.63
		2	\$30.59	\$31.92	\$33.63	\$34.98
		3	\$31.81	\$33.19	\$34.97	\$36.37
		4	\$33.16	\$34.60	\$36.45	\$37.91
		5	\$34.47	\$35.97	\$37.90	\$39.42
377	SR UTILITY LEADER	1	\$30.60	\$32.10	\$33.99	\$35.35
		2	\$31.83	\$33.38	\$35.36	\$36.77
		3	\$33.10	\$34.71	\$36.76	\$38.23
		4	\$34.52	\$36.21	\$38.35	\$39.88
		5	\$35.88	\$37.64	\$39.87	\$41.46
373	SR UTILITY SERVICE REP	1	\$28.89	\$29.76	\$30.95	\$32.19
		2	\$30.33	\$31.24	\$32.49	\$33.79
		3	\$31.78	\$32.73	\$34.04	\$35.40
		4	\$33.40	\$34.40	\$35.78	\$37.21
		5	\$35.04	\$36.09	\$37.53	\$39.03
371	STOREKEEPER - EXPEDITER	1	\$23.16	\$23.88	\$24.87	\$25.86
		2	\$24.12	\$24.87	\$25.89	\$26.93
		3	\$25.03	\$25.81	\$26.87	\$27.94
		4	\$25.98	\$26.79	\$27.89	\$29.01
		5	\$26.99	\$27.83	\$28.97	\$30.13
362	SWEEPER EQUIPMENT OPERATOR	1	\$23.62	\$24.69	\$26.05	\$27.09
		2	\$24.42	\$25.52	\$26.92	\$28.00
		3	\$25.40	\$26.54	\$28.00	\$29.12
		4	\$26.47	\$27.66	\$29.19	\$30.36
		5	\$27.53	\$28.77	\$30.35	\$31.56
340	TREE TRIMMER	1	\$24.66	\$26.17	\$28.04	\$29.16
		2	\$25.63	\$27.20	\$29.15	\$30.32
		3	\$26.69	\$28.32	\$30.34	\$31.55
		4	\$27.63	\$29.32	\$31.41	\$32.67

		5	\$28.70	\$30.46	\$32.64	\$33.95
325	UTILITIES MAINTENANCE MECHANIC	1	\$27.55	\$29.15	\$31.14	\$32.39
		2	\$28.63	\$30.29	\$32.35	\$33.64
		3	\$29.75	\$31.47	\$33.62	\$34.96
		4	\$30.94	\$32.74	\$34.97	\$36.37
		5	\$32.19	\$34.06	\$36.38	\$37.84
368	UTILITIES SERVICE WORKER	1	\$23.43	\$25.10	\$27.15	\$28.24
		2	\$24.36	\$26.10	\$28.23	\$29.36
		3	\$25.35	\$27.16	\$29.39	\$30.57
		4	\$26.24	\$28.12	\$30.42	\$31.64
		5	\$27.27	\$29.22	\$31.61	\$32.87
374	UTILITY LEADER	1	\$25.78	\$27.62	\$29.87	\$31.06
		2	\$26.80	\$28.71	\$31.06	\$32.30
		3	\$27.90	\$29.90	\$32.35	\$33.64
		4	\$28.88	\$30.95	\$33.48	\$34.82
		5	\$30.00	\$32.14	\$34.77	\$36.16
370	BACKFLOW/CROSS CONNECTION TESTER	1	\$21.18	\$22.36	\$23.82	\$24.77
		2	\$22.17	\$23.41	\$24.95	\$25.95
		3	\$23.22	\$24.51	\$26.12	\$27.16
		4	\$24.34	\$25.69	\$27.38	\$28.48
		5	\$25.50	\$26.92	\$28.69	\$29.85
372	UTILITY WORKER	1	\$23.43	\$25.10	\$27.15	\$28.24
		2	\$24.36	\$26.10	\$28.23	\$29.36
		3	\$25.35	\$27.16	\$29.39	\$30.57
		4	\$26.24	\$28.12	\$30.42	\$31.64
		5	\$27.27	\$29.22	\$31.61	\$32.87
375	WATER METER MECHANIC	1	\$23.56	\$25.35	\$27.54	\$28.64
		2	\$24.47	\$26.33	\$28.60	\$29.74
		3	\$25.48	\$27.41	\$29.78	\$30.97
		4	\$26.52	\$28.54	\$31.00	\$32.24
		5	\$27.57	\$29.67	\$32.24	\$33.53
369	WATER METER READER	1	\$21.67	\$22.99	\$24.62	\$25.60
		2	\$22.52	\$23.89	\$25.59	\$26.61
		3	\$23.45	\$24.87	\$26.63	\$27.70
		4	\$24.30	\$25.78	\$27.61	\$28.71
		5	\$25.26	\$26.80	\$28.70	\$29.85
351	WPCF LEAD OPERATOR	1	\$30.22	\$31.59	\$33.33	\$34.66
		2	\$31.42	\$32.84	\$34.65	\$36.04
		3	\$32.66	\$34.13	\$36.02	\$37.46
		4	\$33.95	\$35.48	\$37.44	\$38.94
		5	\$35.32	\$36.91	\$38.95	\$40.51

350	WPCF OPERATOR	1	\$27.43	\$28.69	\$30.30	\$31.51
		2	\$28.52	\$29.84	\$31.51	\$32.77
		3	\$29.66	\$31.03	\$32.77	\$34.08
		4	\$30.82	\$32.24	\$34.05	\$35.41
		5	\$32.06	\$33.54	\$35.42	\$36.84

APPENDIX B - TOTAL EQUITY ADJUSTMENTS

JOB CODE	DESCRIPTION	Total Equity
301	AIRPORT ATTENDANT	8.99%
302	AIRPORT MAINTENANCE LEADER	3.09%
303	AIRPORT MAINTENANCE WORKER	2.99%
304	AUDITORIUM LEADWORKER	6.42%
376	CROSS CONNECTION CONTROL SPECIALIST	7.45%
310	EQUIPMENT MECHANIC I	8.94%
312	EQUIPMENT MECHANIC II	5.25%
361	EQUIPMENT OPERATOR	4.80%
307	EQUIPMENT PARTS STOREKEEPER	5.55%
326	FACILITIES CARPENTER I	7.45%
327	FACILITIES CARPENTER II	6.41%
328	ELECTRICIAN I	18.30%
329	ELECTRICIAN II	17.17%
300	FACILITIES LEADWORKER	22.72%
324	FACILITIES PAINTER I	11.94%
330	FACILITIES PAINTER II	10.88%
320	FACILITIES SERVICEWORKER II	5.81%
338	GROUNDSKEEPER I	6.45%
342	GROUNDSKEEPER II	6.48%

JOB CODE	DESCRIPTION	Total Equity
343	GROUNDSKEEPER III	0.24%
360	MAINTENANCE LEADER	8.49%
357	MAINTENANCE WORKER	8.47%
347	OPERATOR-IN-TRAINING	21.07%
367	SR MAINTENANCE LEADER	2.14%
378	SR UTILITY CUSTOMER SERVICE LEADER	3.93%
377	SR UTILITY LEADER	5.49%
371	STOREKEEPER - EXPEDITER	0.35%
362	SWEEPER EQUIPMENT OPERATOR	4.37%
340	TREE TRIMMER	9.10%
325	UTILITIES MAINTENANCE MECHANIC	8.15%
368	UTILITIES SERVICE WORKER	12.11%
374	UTILITY LEADER	12.07%
370	BACKFLOW/CROSS CONNECTION TESTER	7.43%
372	UTILITY WORKER	12.10%
375	WATER METER MECHANIC	13.40%
369	WATER METER READER	8.95%
351	WPCF LEAD OPERATOR	4.41%
350	WPCF OPERATOR	4.67%

APPENDIX C- SIDE LETTERS

HAYWARD – 790 NEGOTIATIONS 2000 Tentative Agreement

SIDE LETTER ON SUBCONTRACTING Maintenance and Clerical

As a policy, the City of Hayward affirms its commitment to maintaining the integrity of the Local 790 bargaining unit work and actively seeking ways to preserve jobs and provide career opportunities within the City Workforce.

In keeping with this policy the city will reserve the use of subcontracting for work that requires special skills not currently within the city workforce, equipment not currently owned by the city, constitutes a discrete, non-recurring, project or is seasonal in nature, or results from an emergency situation. The parties expect that during the term of the MOU work may need to be subcontracted because the work has met one or more of the above-mentioned criteria.

The city is currently obligated by a number of contracts to perform bargaining unit work, which may or may not conform to the above-mentioned criteria, for example some landscaping work. The union will make no claim to work covered by those contract until those contracts expire. The City Manager or designee shall provide the union with information as to the scope of work currently contracted, to whom the work is contracted, the cost associated with those contracts, and the duration of the contracts. The union may request additional information as needed.

Effective July 2000, no less than 60 days prior to the contracting of work or services for the above-mentioned criteria or as soon as possible in the case of an emergency the city shall notify the Union. The City Manager or designee shall provide the union with information as to the scope of work to be contracted, to whom the work is to be contracted, the cost associated with those contracts, and the intended duration of the contracts. The union may request additional information as needed.

During the term of this agreement the parties agree to meet for purposes of evaluating work that could potentially be performed by Local 790 employees. The Union will also be provided information regarding the use of temporary city employees. The Union may make recommendations regarding additional 790 staffing based upon considerations to include but not limited to cost effectiveness, efficiency, quality, and city standards. The parties shall receive training in interest-based problem solving techniques and shall make every effort to use a collaborative approach in evaluating contracted work.

Date

City

SEIU 790

June 5, 2000
Ray Buchanan
[Signature]

CITY OF HAYWARD
and
SEIU LOCAL 1021
Maintenance & Operations Unit

SIDELETTER OF AGREEMENT

RE: Overtime Allocation

Prior to December 31, 2007, the parties agree to meet and discuss the process for allocating and compensating overtime for employees in the Landscaping Division.

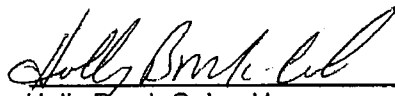
Date: 2/13/08

SEIU, Local 1021



Larry Hendel, 1021 Field Director

City of Hayward



Holly Brock-Cohn, Human
Resources Director

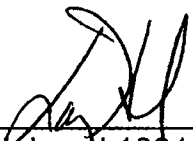
CITY OF HAYWARD
and
SEIU LOCAL 1021
Maintenance & Operations Unit

SIDELETTER OF AGREEMENT

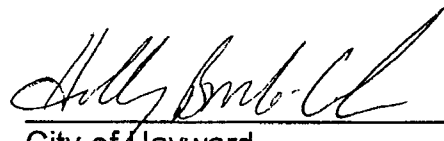
RE: Flextime Schedule

Employees wishing to work a flex time schedule (a schedule with varying daily start times) shall be permitted to do so with the approval of the department head or designee. No later than 2 work-weeks prior to the requested schedule change, employees must submit a proposed flex time schedule in writing to the department head or designee. Employees should indicate in their proposal the details of their intended schedule, including starting and ending times and a description of arrangements or agreements designed to assure the timely and effective completion of the employee's work, and how the proposed schedule could enhance service to the public and/or improve employee morale and productivity.

Dated 2/13/08



SEIU, Local 1021
Larry Hendel



City of Hayward
Holly Brock-Cohn


**SIDE LETTER AGREEMENT
BETWEEN
SEIU 1021 AND
CITY OF HAYWARD**

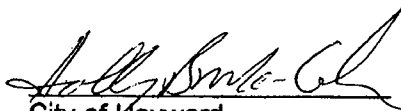
Regarding: Equipment Mechanic Position

The parties agree to study the possibility of establishing a flexible staffing Equipment Mechanic I and Equipment Mechanic II.

Dated

2/13/18


SEIU, Local 1021
Larry Hendel


City of Hayward
Holly Brock-Cohn

CITY OF HAYWARD

and

SEIU, Local 1021 (Maintenance, Clerical & Confidential Units)

Hayward Association of Management Employees (HAME)

Professional & Technical Engineers, Local 21

SIDE LETTER OF AGREEMENT

**RE: Mandatory Furlough for Affected Bargaining Units to Address
Projected City Revenue Shortfall**

The parties have met and discussed the projected revenue shortfall facing the City of Hayward for FY 2008-09. The parties have agreed to institute a furlough program in order to aid the City's ability to maintain routine and necessary services. The furlough program will partially mitigate the City's revenue shortfall. This Sideletter is executed to set out the agreements reached between the parties to address the major issues expected to be arise during the furlough period and this Sideletter shall therefore expire June 30, 2009 at the end of the fiscal year and prescribed furlough period. The terms and conditions of the furlough program are outlined below:

Definitions

1. *Furlough Obligation* - The total number of furlough hours an employee is required to take between 12/22/08 and 6/21/2009.
2. *Furlough Hours Taken* - The hours that the employee takes off from work to meet their Furlough Obligation.
3. *Furlough Payback* - The reimbursement of paid Furlough Hours Taken that will be spread over 13 pay periods.

Covered Employees

All full-time employees in the following bargaining units will be required to participate in the Furlough Program:

Hayward Association of Management Employees (HAME)

Local 1021

Maintenance Unit

Clerical Unit

Confidential Unit

Local 21

Furlough Obligation

1. All full-time employees will have a Furlough Obligation of 52 hours.
2. All benefited part-time employees, working 20 hours or more per week, will be required to take a pro-rated number of Furlough Hours. For example, if an employee works 20 hours then their Furlough Obligation would be 50% or 26 Furlough Hours. If an employee's schedule varies, the Furlough Obligation will be determined by the average number of hours worked in the first 10 payrolls of the Fiscal Year.
3. Employees working 19 hours per week or less and temporary employees will be exempt from participating the Furlough Program. Affected employees will not be scheduled to work and there will be no subsequent deductions from their paychecks.
4. Any new employee, or employee returning from an unpaid status, will have a Furlough Obligation based on the number of payrolls remaining in the Furlough Payback period.
5. Any employee paid under Workers' Compensation will not be expected to participate in the Furlough program until they have returned to work. At that time, a determination will be made to calculate their Furlough Obligation based on the number of pay periods remaining in the Furlough Payback period.

Holiday Closure

1. City Hall and the Libraries will be closed for 2 weeks for the Holidays in December. In addition to the already scheduled holidays, the City will be closed an additional 52 hours during this time to include:

December 22,	8 hours
December 23	8 hours
December 26	8 hours
December 29	8 hours
December 30	8 hours
December 31	4 hours
January 2	8 hours
2. The City Manager will determine those employees who are required to provide essential services during days the City is closed.
3. Those employees who are not required by their Department Head to work during the Holiday Closure will be required to take their Furlough Hours on the days the City is closed during the Holidays. Full-time employees who take all of their Furlough Hours during the Holiday Closure will be paid a full 40 hours for each of the 2 weeks that the City is closed.
4. Those employees who are required to work one or more of the days when the City is closed, will be required to make up their Furlough Hours from January to June 21st 2009. All Furlough Hours must be taken prior to using any Vacation or Compensatory Time Off.

Furlough Payback

1. In order to mitigate the financial impact of the Furlough Program to employees, the payback of the Furlough Obligation will be spread over 13 payrolls rather than reducing one or two paychecks for all of the Furlough Hours Taken.
2. Four (4) hours of paid time will be deducted from each full-time employee's paycheck with the payroll period beginning January 5th which is paid January 23rd and ending with the payroll period beginning June 22nd which is paid July 10th. Assuming an employee works 80 hours, they will be paid for 76 hours for each of the 13 payrolls.
3. The Furlough Hours Taken will not negatively impact the calculation of overtime pay for emergency-call out, call-back or standby obligations. Overtime shall continue to be calculated in accordance with applicable MOU language and FLSA provisions.
4. Any employee who leaves City employment prior to completely reimbursing the City for the Furlough Hours taken, will have any remaining balance of owed Furlough Payback Hours deducted from their final paycheck.

Other Impacts

1. Implementation of the Furlough Program will not cause any decrease in vacation or sick accruals.
2. The caps on vacation will not be enforced through calendar year 2009.
3. Enforcement of Compensatory Time Off (CTO) caps can be extended from December 31, 2008 to March 29, 2009. Employee requests to carry over CTO balances in excess of the eighty (80) hours maximum provided for in their MOUs will be approved. Employees must submit such requests to their department heads no later than December 17, 2008 and the department heads shall forward the approved requests to the City payroll office no later than December 19, 2008. In the event an employee extends their CTO cap enforcement to March 29, 2009, any CTO hours in excess of 80 hours will be cashed out and paid to the employee in the pay period ending April 12, 2009.
4. For employees retiring prior to July 1, 2010, if 2008-2009 months are included in the highest earnings months, retirement calculation of the single highest year salary would not be affected. PERS calculations are based on the reported salary rate not actual wages earned. Also, unless employees are on leave of absence without pay status for more than 2 months during the 12 months prior to retirement, PERS service credit would not be affected.

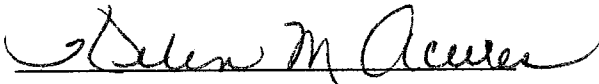
Layoff Procedure

The City agrees not to layoff employees in bargaining units represented by Local 1021 (Maintenance Unit, Clerical Unit, Confidential Unit), Local 21 and the Hayward Association of Management Employees (HAME) unless a lack of work or a lack of funds requires such layoffs and only after the City meets and confers with Local 1021, Local 21 and HAME over the impact of such layoffs.

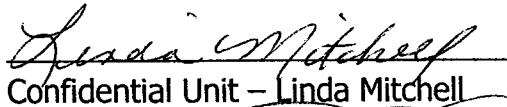
Dispute Resolution

This Side Letter shall not be subject to the dispute resolution procedure contained in the Bargaining Unit's Memorandum of Understanding, to procedures contained in the City's Personnel Rules or to the jurisdiction of the City's Personnel Board for any reason whatsoever.

For SEIU Local 1021



Clerical Unit – Helen Aceves, Acting



Confidential Unit – Linda Mitchell




FOR Maintenance Unit – Gil Hesla



Iris LeBlanc-Clay

DATED _____

For HAME

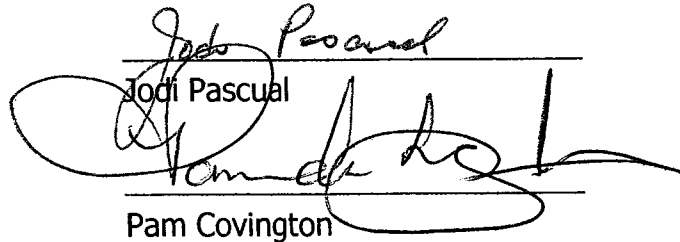


Richard Patenaude



DATED 12.9.08

For Local 21

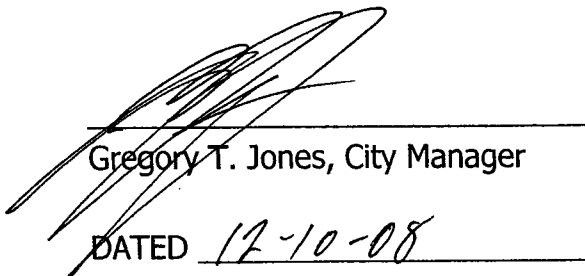


Jodi Pascual

Pam Covington

DATED 12-10-08

For the City of Hayward



Gregory T. Jones, City Manager

DATED 12-10-08

**CITY OF HAYWARD
and
SEIU LOCAL 1021
Maintenance Unit**

SIDE LETTER OF AGREEMENT

**RE: Post Retirement Medical Benefit –
Voluntary Employee Beneficiary Association (VEBA) Plan for
Bargaining Unit Members**

The parties agree that the City will make available for Bargaining Unit members a Voluntary Employee Beneficiary Association (VEBA) Plan (collectively, "Plan") to enable eligible employees to accumulate funds in a tax-exempt trust from which qualified medical expenses can be paid including certain post-retirement medical expenses benefit accounts. The City will not contribute to the employee VEBA accounts. During the period of inception through December 31, 2008, members of the Bargaining Unit represented by the SEIU Local 1021-Maintenance Unit (collectively, "Bargaining Unit") can voluntarily elect to participate in the Plan. Effective January 1, 2009, Plan participation is available only if the Bargaining Unit voted to participate in the Plan as a unit; the Bargaining Unit acknowledges that such an election was held and that it will participate in the Plan.

Effective January 1, 2009, Plan requirements are as follows:

Plan Requirements

1. Eligibility Defined

Effective January 1, 2009, all eligible employees, who are members of the Bargaining Unit, must participate in the Plan. An eligible employee is an employee who is a member of the Bargaining Unit and is in an allocated position of twenty (20) or more hours per week and receives benefits.

2. Employee Contributions

A. Payroll Deduction

Participation in the Plan by an eligible employee requires a payroll deduction each pay period to fund the employee's account. The eligible employee can elect an amount within an established range. Effective the pay period encompassing January 1, 2009, the minimum payroll deduction shall be Five Dollars (\$5.00) per pay period. The maximum payroll deduction shall be Five Hundred Dollars (\$500.00) per pay period. Payroll deductions for each pay period can include any amount between the Five Dollar (\$5.00) minimum and the Five Hundred Dollar (\$500.00) maximum in One Dollar (\$1.00) increments. Contributions made by an eligible employee must be made through payroll. Eligible employees cannot make direct contributions to the Plan. Once separated from the City, the (former) employee can no longer make contributions to the Plan.

B. Annual Election

Each eligible employee must annually designate a payroll deduction amount from the established range during the City's open enrollment period for benefit election. Elections are irrevocable for the designated calendar year. Unless an eligible employee changes bargaining units, there are no exceptions. If an eligible employee fails to make an election during the City's open enrollment period, it will be deemed that the eligible employee elected the default payroll deduction of Five Dollars (\$5.00) each pay period for the designated calendar year.

3. Leave Payout

Each eligible employee must designate a leave payout deduction to be rolled over to his/her Plan account based on the established range upon separation from City employment. The minimum deduction must be one percent (1%) of the leave payout for vacation, sick (established sick leave formula specified in the unit MOU), and/or compensatory leave. Additional deductions can be made in one percent (1%) increments. The maximum payout is one hundred percent (100%) of each leave payout. Elections of leave payout deductions can be made no earlier than sixty (60) calendar days prior to an eligible employee's separation. If an employee fails to make an election by the date of his/her separation, it will be deemed that the eligible employee has

elected the default leave payout deduction of one percent (1%) for each leave category.

4. New Employees or Newly Eligible Employees

Employees, whether new to the City or to the Bargaining Unit, who become eligible to participate in the Plan after January 1, 2009 will have 30 calendar days from the date of eligibility to designate a payroll deduction. A payroll deduction must be elected in accordance with Section 2(A) of this Side Letter. If an eligible employee fails to make an election within 30 (thirty) calendar days from the date of plan eligibility, it will be deemed that the eligible employee has elected the default payroll deduction amount of Five Dollars (\$5.00) each pay period for the designated calendar year.

5. Bargaining Unit Minimum Funding

The parties recognize that the Bargaining Unit has elected, effective January 1, 2009, to convert a portion of the City's deferred compensation contribution for each Bargaining Unit employee, other than temporary or provisional employees to fund the minimum contribution amount Plan accounts. The City currently provides a total of One Thousand Ten Dollars (\$1010.00) per year in deferred compensation contribution. Effective January 1, 2009, eligible employees authorize a payroll deduction of One Hundred Thirty Dollars (\$130.00) per year from the Deferred Compensation contribution to be equally divided among twenty six (26) pay periods in the amount of Five Dollars (\$5.00) per pay period, to fund the minimum Plan contribution. The Five Dollars (\$5.00) Plan contribution shall constitute the minimum funding amount for eligible employees. Eligible employees can elect to make additional contributions as allowed by this Side Letter and/or this Plan.

6. Participant Account

A separate account is maintained for each contributing eligible employee, which documents the employee's contributions and

disbursements. Contributions to a VEBA as well as any disbursements to cover non-reimbursed, post-tax medical care expenses are both tax-free. Eligible benefits subject to reimbursement by the Plan shall be limited to long-term care expenses and non-reimbursed medical premiums, co-pays, prescribed drug expenses and other medical care costs as that term is defined by the Internal Revenue Code Section 213.

7. Administrative Fees

Any Plan administrative fees will be deducted from interest on the total Plan investments.

An eligible employee's Plan account is subject to a monthly administrative fee for expenses related to recordkeeping, claims processing and claims reimbursement. The fee will first be deducted from interest on total plan investments, and then deducted, if necessary, from the eligible employee's individual account.

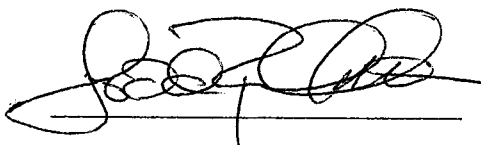
8. Dispute Resolution

This Side Letter and any disputes arising under or in connection with this Side Letter shall not be subject to the dispute resolution procedure contained in the Bargaining Unit's Memorandum of Understanding or in the City's Personnel Rules, nor shall this Side Letter and any such dispute relating thereto be subject to the jurisdiction of the City's Personnel Board for any reason whatsoever.

9. Indemnification

The Bargaining Unit agrees to indemnify and hold the City of Hayward harmless against any claims made of any nature and against any suit instituted against the City arising from this Side Letter, including but not limited to claims arising from an employee's participation in VEBA or from any salary reduction initiated by the City for VEBA contributions.

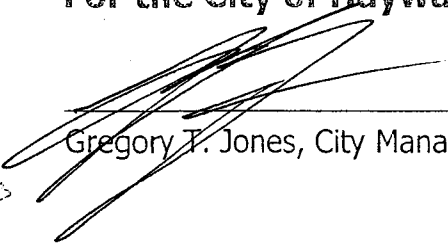
**For SEIU Local 1021 -
Maintenance Unit**



12-18-08

Dated _____

For the City of Hayward



Gregory T. Jones, City Manager

Dated 12/18/2008